81

China

Charles Denby

42:3 — 533.

August 1. 1887

Decemb 31. 1887

W Williams
63/38 NC
Arts

[redacted]

Legation of the United States.

Peking, August 3d, 1887.

Wm. Charles Denby.

to the

Secretary of State

subject.

Diplomatic Telegram

Account February-

April 1887.

No 423. One enclosure

Legation of the United States.
Peking, August 3d, 1887.

Honorable Thomas F. Bayard
Secretary of State
Washington

Sir:—

I have the honor to hand you enclosed duplicate statement of the Telegram Account of this Legation from February to April 1887.

1/423.

I have the honor to be,
Sir,
Your Obedient Servant
Charles Denby

Enclosure 1—

Duplicate statement as above.

T. M.

Peking, February 28th 1887.

Kennedy

Shanghai.

Minister regrets refusal
request of Chamber.

Denby

Telegram
day at....

American Admiral

Yokohama.

Will be in Shanghai April
23d Thanks.

Denby.

Peking April 2d 1887.

DEPARTMENT OF STATE
SEP 19 1887
RECEIVED

No 424. One enclosure.

Legation of the United States.
Peking, August 3d, 1887.

Mr. Charles Denby.
to the
Secretary of State.

Subject.

Diplomatic Return of Passports for half year ending 30th June 1887.

H.P.R

No 424. One enclosure.

Legation of the United States.
Peking, August 3d, 1887.

Honorable Thomas F. Bayard.
Secretary of State
Washington.

Sir:—

I have the honor to transmit
1/424 for enclosed duplicate Returns
of the Passports issued at this
Legation for the half-year ending
June 30th, 1887.

I have the honor to be,
Sir,
Your obedient Servant
Charles Denby

Enclosure 1.
Duplicate Returns as above.

Return of Passports for

No.	Name	Date	Age	Height	Eyes	Nose
493	R. J. Bryson	January 19	31	5.9	Brown	Roman
494	George Blood Smith & family	February 14	32	5.9	Hazel	Straight-high
495	Emily Susan Bostwick	" "	27	5.1	Grey	Straight
496	Mrs. John Phelps Bowles	" "	38	5.6	Dark	"
497	A. F. Kupfer	" "	36	5.5	Hazel	Medium
498	John E Boales	March 11	55	5.10	Blue	Thin
499	V. A. Hart	" "	47	5.10		Straight
500	S. L. Thurston	" 17	39	5.10½	Dark Brown	Large
501	H. Jenkins	" "	55	5.6	Grey	"
502	Harvey Otis Cagley	April 4	28	5.11	Light Hazel	Small
503	Francis A. Price	" 18	36	5.7½	Blue	Roman
504	Stephen A. D. Hunter	June 6	36	5.9	Hazel	Common
505	J. H. Pyke	" 15	41	5.9½	Brown	Large
506	A. S. Hopkins	" "	27	5.11	Hazel	do
507	D. A. Bryson	" 28	45	6.1	Brown	Straight

Legation of the United States
Peking, June 30th, 1887.

15 Passports @ $5. each = $75.-

For half year ending June 30th 1887.

Hair	Face	Complexion	Remarks.
Dark Brownish	oval	Dark	
Flaxen light	Square	Fair	
brown	Rather long	very light	
Black	oval	dark	
Dark	Regular	Florid	
Brown	Square	Fair	
Grayish	Long	light	
dark	do	dark	
Do	do	light	
Brown	oval	Fair	
Do	Round	light	
Light	Long	Fair	
Black	do	light	
Dark Brown	do	Fair	
Farming Grey	do	light	

Charles Denby
United States Minister

2D ASSISTANT SECRETARY.
Acknowledge separately.
SEP 19 1887

DEPARTMENT OF STATE
SEP 19 1887
RECEIVED.

No. 425

aaa Sept 20 W Williams Cnclo

Legation of the United States.

Peking August 2nd 1887.

Mr. Denby to the

Secretary of State

Subject.

Removal of Mr. Foulk from Korea.

No. 425

Legation of the United States.

Peking August 2nd 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to acknowledge the receipt of your confidential despatch No. 208 of date June 18th 1887, with enclosures.

It is apparent from this despatch that the dissatisfaction of the Chinese Government with Mr. Foulk was not the cause of his removal. You put it distinctly

distinctly on "hostility exhibited
to him by the Government
of His Majesty the King of
Korea" and you say "his
retention .... could not fail
to be personally embarassing
to him." Comment, therefore,
would be entirely unnecessary
by me were it not for a
statement in your despatch
quoted from a communication
of the Chinese Chargé d'Affaires.
That statement is as follows:
"The Ministers of the United
"States in China and Korea
"upon being consulted suggest
"that a request be made at
"the State Department for his
"(Mr. Foulk's) immediate removal."

An

An inference might be drawn from the use of the words "suggest" and "immediate" that I had expressed approval of the effort then (April 1887) being made by the Viceroy Li to secure the removal of Mr. Foulk.

Such inference would be unjust to Mr. Foulk and myself. I simply in my interview with the Viceroy interrupted his tirade against Admiral Shufeldt and Mr. Foulk, to say that I had nothing to do with those gentlemen or their conduct, and that, if the Chinese

Government

distinctly on "hostility exhibited
to him by the Government
of His Majesty the King of
Korea" and you say "his
retention .... could not fail
to be personally embarassing
to him". Comment, therefore,
would be entirely unnecessary
by me were it not for a
statement in your despatch
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of the Chinese Chargé d'Affaires.
That statement is as follows:
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"States in China and Korea
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"that a request be made at
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"(Mr. Foulk's) immediate removal."

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Such inference would be unjust to Mr. Foulk and myself. I simply in my interview with the Viceroy interrupted his tirade against Admiral Shufeldt and Mr. Foulk, to say that I had nothing to do with those gentlemen or their conduct, and that, if the Chinese

Government

Government desired to present any complaint against Mr. Foulk, it should be done through the Chinese Minister at Washington to the Department of State.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
SEP 19 1887
RECEIVED

Received Sept. 21. 87 Ans. Oct.

No. 426.

W. Williams

Legation of the United States.

Peking August 3rd 1887.

Mr. Denby to the

Secretary of State.

Subject.

The Philadelphia Syndicate and its operations in China.

No. 426.

Legation of the United States.

Peking August 3rd. 1887.

To the Honorable

Thomas F. Bayard

Secretary of State,

Washington, D.C.

Sir:

It is reported in the public press that the Philadelphia Syndicate has secured, in addition to the right to operate telephones, contracts for the establishment of banks, National and International, to issue paper money, to arrange coinage, regulate finance and construct

all

all railroads and public works. In short they are to have the complete exploitation of China. The Taotais Chou, Shêng and Ma are included in the company. The papers charge that the Marquis Tsêng is interested.

Mr. Mitkiewicz with two Taotais has left Tientsin for Philadelphia. Very great efforts will be made by the representatives of other nationalities to overturn these plans and contracts. The English, French and Germans are very indignant and the "Chinese Times", an English paper published at Tientsin,

is

is quite abreeive of all the parties concerned.

The member of the Syndicate are all strangers to me. None of them came to Peking. I have had no communication with or from them. They were backed, I suppose, by the Chinese Minister at Washington. Being Americans I hope they will prove successful to the end. It is much better that the scheme should be worked without my interposition.

If they are attacked by others on account of their nationality it is likely that I will render them any

assistance

assistance that I can
consistently afford.

I have the honor to be,

Sir.

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
SEP 19 1887
RECEIVED

No. 427. Ack'd by No 1 file

Legation of the United States.

Peking, August 5th 1887.

Mr. Denby to the

Secretary of State

Subject.

Comments of English Press on the American Syndicate.

One enclosure.

No. 427.

Legation of the United States.

Peking August 5th 1887.

To the Honorable

Thomas F. Bayard,

Secretary of State,

Washington, D. C.

Sir:

In order to give you some idea of the manner that the American Syndicate is treated in the English papers, I enclose herewith a clipping from the North-China Daily News of the 27th ultimate.

I have the honor to be, Sir,

Your obedient servant,

Charles Denby

Enclosure.

1. Clipping, Newtrin correspondence, N. C. D. N.

N° 427 Inclosure

TIENTSIN.

(FROM OUR OWN CORRESPONDENT.)

Our visitors from syndicates have now entered into heroic combinations such as one might expect of the historic personages, Crœsus, Midas (with normal ears), the Fuggers, Rothschilds, Streglitz, Bleichröder, Barings, Mathesons and the like, joined together to lend vast sums to needy nations for the mere luxury of doing good.

A gentleman has been to Peking, and while there offered to the astounded Treasury Board a loan of eighty millions of taels for a long term of years first at 5½, and more lately at 5 per cent. The offer was the more generous, as it came from a man who makes difficulty about current charges, such as rent and telegraph accounts. The offer deserves historical record, in fact by rights one should describe it in Miltonic blank verse.

We have now amongst us a geniune Monte Christo, whose millions are less mythical than those of the pinchbeck capitalist at Peking. A Pole, Count Milkiewickz, has lent a fair sum as a beginning, viz.:—2½ and 1 million of taels at the moderate rates of 3½ or 3 per cent., and, part of the loan, is at even lesser and special rates. These loans are to extend telegraph and telephone lines over China. The advance will be very useful and will solve a troublesome question. At each extension of the telegraph lines, without which the Empire cannot be now governed, there is a long and angry wrangle between Peking, the province to be benefited, and the Chinese Telegraph Administration about the liability for cost. It stands to reason that the lines *must* be made, are absolutely necessary, and cannot be delayed without injury to the State. But in many or most instances, and as will be the case until the conditions of trade are changed by railways, the traffic of the lines is so small that there is no profit, but, on the contrary, generally a loss. The profitable lines are not many, and they have to support connections that do not pay the wages of the operators. If therefore the Telegraph Company obtains capital under some sort of State guaranty the difficulty of obtaining funds will end, and lines will spread in all desired directions without delay.

Count Milkiewickz has obtained rights from the Viceroy Li, Chief Commissioner of Telegraphs, to apply to fixed sections of the Chinese land lines a telephone of extraordinary speed and perfectness.

The Count, who represents a combination of extraordinary power and resources proposes to found banks, make a coinage uniform in all the provinces, construct railways, canalise the Yellow river etc. Therefore he is a personage to be spoken of with bated breath. A national bank will, it is estimated, require 40 millions of taels. A coinage system much more. The trunk railway system which was recommended by Tso Tsung-tang, which found favour at Peking, and is really a sound and practical scheme needs about 300 millions of taels to start with. The canalisation of the Yellow river I am told by an engineer will need about 200 millions of taels. All this is most magnificent, and to relate the solid fact of banks, *crédits mobiliers*, coinage and contracts aggregating some one thousand millions of taels is surely enough for one letter.

22nd July.

No. 428.

Legation of the United States,
Peking, August 6th, 1887.

To the Honorable
Thomas F. Bayard
Secretary of State,
Washington, D. C.

Sir:

I have the honor to acknowledge the receipt of your despatch No. 206, of date June 13th 1887, on the subject of increasing the library at this Legation.

I beg leave to return to you my most sincere thanks for the consideration and kindness which have characterized

characterized your treatment of me not only in this matter, but in all things appertaining to this office.

The books to be sent, as set out in your despatch, seem to be admirably selected. "Kallett" was, in fact, a miscopy of "Kalleck".

There is at present but one other book to which I desire to direct your attention and to ask authority to purchase and to draw on you for the cost.

It is almost a necessity to have in the Legation library the Dynastic Institutes. On several occasions lately

it

it would have been
impossible for me to answer
the demands of the Department
on finance, pensions, organization
of the army without reference
to this work.

In speaking of this
work, Mr Wylie, in his Notes
on Chinese Literature, uses
this language- "a later
"arrangement of this work
"(Chin ting Da Ching Hui Dien)
"was published in 1819 in
"80 books with an accompanying
"section of plates in 132 books.
"Altogether this unique
"collection presents such a
"body of official experience
"as must render it a valuable

treasure

"treasure to the practical
"politician."

Mayer's invaluable book
on the Chinese Government
is entirely derived from it.
It is said that it will be
brought down to the present
day. I have contracted
subject to your orders to buy
a copy for Tails 60 - a great
bargain.

If I can draw on you
specially for this sum I
will do so, if not I will buy
the work and charge it to
the Contingent.

I have the honor to be, Sir
Your obedient servant,
Charles Denby

rec'd. mem'd. [illegible]
Sept. 27 '87
Encl's

DEPARTMENT OF STATE
SEP 19 1887
RECEIVED

J. Williams

No. 429

Legation of the United States.

Peking August 6th 1887.

Mr. Denby to the

Secretary of State.

Subject

The proposed revision of the Shanghai Land Regulations.

Synopsis

The Dean of the Diplomatic Body desires to take no further action in perfecting a Revision. His reasons therefore given. My judgement is that the Diplomatic Body should transmit the Revision to the Council. Instructions asked.

Confidential. Two enclosures.

No. 429.

Legation of the United States.

Peking August 6th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State,

Washington, D.C.

Sir:

I had the honor to inform you in my despatch No. 240 of date November 12. 1886 that the Ministers had been for some time engaged in reviewing the proposed Revision of the Shanghai Land Regulations of 1870, which was submitted to them by the Municipal Council.

Our

Our labors were minute and complete. It became the duty of the Dean to report the results arrived at to the Municipal Council through the Dean of the Consular Body.

There was no question raised before us as to the danger of undertaking to put in force the prepared Revision. I was, therefore, surprised to receive, of date July 27th, from Mr. von Brandt a letter informing me that he had concluded that it was impolitic and dangerous to proceed further with the Revision and that, for himself,

He

he would not take the responsibility of doing so. He referred to the communication to the Dean of the Consular body herewith enclosed as furnishing the reasons for his action. This communication was submitted to me for approval.

I replied to Mr. von Brandt by the letter of which a copy is enclosed. Mr. von Brandt, of date July 30th, replied to my letter reasserting that the Chinese Government is hostile to the existing state of things at Shanghai, denying that the Government has acquiesced therein, asserting that in the

the matter of transferring land the Chinese authorities have never acquiesced in the existing Land Regulations, and that the Judge of the Mixed Court refused some years ago to recognize the right of the Municipal Council to tax Chinese residents, and it took much negotiation to come to an understanding.

He then proposes that any individual Minister shall approach the Chinese Government on the subject.

With regard to the communication to be addressed to the Dean of the Consular Body he makes three propositions:

1st

1st Not to write at all at present.
2nd To add to his draft a clause
showing that our objections
are temporary and may be
removed by time.
3d To write in the sense of my
proposal adding "but deem the
"present time inopportune for
"approaching the Chinese
"Government on the subject or
"provoke public discussion of
"the scheme as amended."

I answered this letter
by accepting the first proposition,
i.e. to let the matter rest
until it can be considered
by the Ministers nearly all
of whom are absent from
Peking.

Mr.

Mr. von Brandt has acceded to this plan as has also Sir John Walsham.

Thus the matter stands and time is afforded to receive your instructions on the subject. In its consideration it must be borne in mind that this subject has been agitated in Shanghai for the past six or eight years; that a Revision was sent to the Ministers for their consideration long before my arrival here, that it was passed on by the Ministers and returned to the Council with certain changes and suggestions. This last Revision was here

awaiting

awaiting the action of the Ministers when I arrived. Mr. von Brandt and Mr. Ferguson - the Dutch Minister - are the only members of the Diplomatic Body, as it now exists, who acted on the first Revision. During all these years no hint, that I am aware of, has been given to the people of Shanghai that there was any danger in undertaking to amend the Land Regulations.

There are probably five thousand foreigners in Shanghai and the city is daily growing in importance. I am not prepared, at this time, to take up the

purely

purely legal questions as to the status of Shanghai or to treat the subject as it may be ultimately necessary to treat it. My judgement is that the Revision as approved by the unanimous action of the Ministers should be submitted to the Municipal Council.

It is idle to talk about secrecy. The subject is as public as the day. To halt now in the progress of the effort to amend the Regulations may raise a doubt in the public mind as to the stability of the existing Municipal Government and a serious doubt as to the

the possibility of ever amending the Regulations.

Such delay may be construed into a confession by the Ministers that the consent of the Chinese Government to the amendments, which I conade is absolutely necessary, can not be had.

There is always talk in China adverse to the granting of further privileges to foreigners. But I have seen nothing to induce me to believe that the Chinese Government will refuse to allow the most important city in China to introduce reasonable changes in the mode of doing municipal

business

business. I do not believe the Chinese Government desires anarchy in Shanghai, or to cripple a city which is of as much benefit to China as all its other cities combined.

The question of concessions to the Chinese could be considered when presented by the Chinese Government. The proposition that a Minister should, in advance of the adoption by the Council and the Ministers of a scheme, approach the Chinese Government on the subject is inadmissible. The Chinese Government would first demand to see the instrument containing the proposed

proposed amendments.

There is nothing in the argument that a Revision now made would relate to the Revision of 1866 and not that of 1870. It matters not what year or what Revision it relates to. Once approved by the Chinese Government it would supercede all preceding Revisions.

In spite of difficulties that have arisen now and then in the operation of the present Revision, it cannot be denied that the Chinese Government has practically for seventeen years acquiesced in the existing system. I do not

not think that the Treaty Powers should take one jot or tittle of the rights secured by treaty or granted by prescription. There is an unmistakeable tendency on the part of England especially to yield to Chinese demands. This sentiment arises, perhaps, from the acquisition of Burmah, from a desire to counteract French encroachments and to conciliate China in view of a possible war with Russia.

The same feeling exists in favor of China among the Germans, but its source is a desire to secure contracts, jobs

jobs and public employment for Germans. It would be unwarrantable for me to assert that my Colleagues, who are able, honest and experienced men, are influenced by these considerations to an improper extent. But I have thought that on various matters — as, for example, in their refusal to demand an audience of the Emperor — some hidden cause influenced their action.

That China has the undoubted right in making new concessions, as in the late French treaty, to deny the right of municipal

government

government to foreigners no one disputes. But that it is competent for her to deprive resident foreigners of either expressly granted or immemorially exercised rights no man admits.

But as I look at the situation the discussion of these questions is premature. It can arise only when the Chinese Government shall be asked to consent to the proposed Revision.

The question before me is simply shall I insist that the Revision, which has been unanimously approved by the Ministers, shall be

transmitted

transmitted to the Municipal Council for further action?

On this question I desire to be put in possession of your views. It is one of the peculiarities of the situation that all the Treaty Powers must agree on the establishment of a Municipal Code.

Mr. von Brandt, especially if aided by Sir John Walsham - who has the greatest interest to look after in China - will, of course; if he adheres to his present views, block all progress.

I shall, as at present advised, make no factious opposition

opposition, but I shall firmly adhere to the opinion that the Revision should be transmitted to the municipal body, unless you order differently.

I have the honor to be,

Sir,

Your obedient servant;

Charles Denby

Enclosures

1. H. C. Mr. von Brandt to H. M's Consul-General, Doyen of the Consular Body, Shanghai

2. Mr. Denby to Mr. von Brandt July 29th 1887.

1

Copy. Enclosure 1 in No. 429

Draft of letter proposed
to be sent by Mr. von Brandt
Doyen of the Diplomatic
Body, to P. D. Hughes, Esquire,
H. M's Consul-General, Doyen
of the Consular Body, Shanghai.

— " —

Sir:

My Colleagues and
myself have submitted the
proposals laid before us by
the Municipal Authorities of
Shanghai referring to a revision
of the now existing Land
Regulations, to a very close
and thorough examination,
and while being of opinion
that some of the changes
proposed might prove beneficial,
or at least facilitate the
working of the existing
municipal government, we can
not hide from ourselves, the fact that
others are intended to or
will at least in their
operation

operation, strike at what must be considered as the basis upon which the municipal government of Shanghai rests, i.e. the fact that the authority under which the Rate payers and the Executive Council act can only be derived from the Representatives of the Powers having treaties with the Emperor of China to which the assent of the Chinese Government must be obtained.

This principle has been fully recognized in former times by the Land-Renters themselves as may be seen in the Memorandum of Jan. 22nd 1866, which accompanied the proposed Revision, and it may not be amiss to quote here in full the passage from it referring to the source from which

the

the municipal government at Shanghai draws its powers.

"The scheme of Revised "Land Regulations does "not seek to invest either "the Ratepayers or the "Executive Council to be "elected by them with "any original or self- "emanating powers. It "distinctly records in the "preamble the source of "the power prayed for and "all the Ratepayers and "their Executive Council "seek for is the continuance "of the delegated power "of self-government originally "conferred on them.

"It is the anxiety of "the Land-renters to avoid "even a suspicion of a "desire to arrogate for "themselves, or for others,

who

"who shall in future
"act with them, powers
"or authority which their
"position on a foreign
"soil does not entitle
"them to claim, that
"has induced them to
"retain the old form,
"of the Land Regulations
"in preference to forming
"a scheme of municipal
"government more artistic
"and complete in form.
"They have willingly
"abandoned the idea of
"asking for a charter
"of incorporation in which
"the source and extent
"of the powers vested in
"them should appear
"clothed in legal
"phraseology and in that
"completeness of form
"which should characterize
"every perfect system of
self-

"self-government, for the
"less artificial form in
"which the Revised
"Land Regulations are
"now submitted for
"approval and sanction.
"In so doing they desire
"to afford evidence of the
"spirit in which the
"revision has been made
"and of the sole object
"in view, namely
"providing for the peace,
"order and good government
"of the Settlement, under
"the authority of the
"Diplomatic and Consular
"authorities of the various
"foreigners residing
"within it, they themselves
"acting, not by virtue
"of any assumed or
"original power but
"simply as delegates of
"those officials."

It is, however, any divergencies of opinion that have prevented my colleagues and myself from replying before this to the Municipal Councils on the proposals placed before them, but the difficulty, nay ~~even~~ impossibility, of approaching the subject of any changes in the existing municipal regulations without endangering the whole system, which, whatever its defects may be, has, after all, worked very satisfactorily for a long number of years.

In order to explain the difficulties by which any action on the part of the foreign representatives would be beset it will be sufficient to state that the so-called Land Regulations of 1870 have

neither

neither been approved by
any Chinese authority nor
even submitted to any
for approval. It is not, therefore,
the Land Regulations of
1870 which would have to
serve as a basis for
negotiations, but those in
force up to that date, and
it will be easily understood
what might be the practical
effect of the attention of
the Chinese authorities were
drawn officially to the fact
that the rules, under which
taxes are levied from the
Chinese residing in the
foreign settlement, have
never obtained the assent
of the Chinese Government.

But even this difficulty
might have been overcome
if there had been the
slightest chance that the
Chinese Government would

look

de facto existing regulations.

You will oblige my colleagues and myself by drawing the attention of the Municipal Council very earnestly to the foregoing statements and conclusions, and by pointing out most plainly to the Council that my colleagues and myself must leave to them, in case our advice is disregarded, the full responsibility for any harm that might be done to the foreign interests in the settlement.

I have etc.,
(signed) M. von Brandt.

Copy. Enclosure 2 in No. 429

Mr. Denby to Mr. von Brandt.

Mis. No. /1887 July 29th 1887.

My dear Colleague:

I have the honor to acknowledge the receipt of your communication of the 27th instant enclosing the draft of a letter to H. B. M's Consul-General on the subject of the revision of the land regulations.

Knowing your great experience, your knowledge and fair mindedness I differ with you with great diffidence and much hesitation. But my judgement is that the revision of the proposed regulations made by the Ministers should be transmitted to the land-renters for their approval. If, after they are finally perfected, it should be decided by

a

a majority of the Ministers that the time for asking the consent of the Chinese Government to their adoption is inopportune their presentation might then be delayed. It may take considerable time to perfect them.

To my mind there is no valid objection that can be urged by the Chinese Government to fair and necessary amendments being made to the land regulations. The original land regulations were approved by the Chinese Government, the amended land regulations of 1870 have been acquiesced in by all Departments of the Government for seventeen years.

I do not believe that the Chinese Government would object to any reasonable amendment which simply facilitates the despatch of

public

public business.

The refusal of the Ministers to take any action, especially if based on the reasons given by you, will be more dangerous to the existing state of things, than any proposed action can be.

I must, therefore, request that, in the body or at the bottom of the proposed letter to the Consul-General, it shall be stated that I do not concur therein.

To avoid any appearance of conflict I would consent that a simple statement be sent to the Consul-General to the effect that the Ministers have completed the revision of the proposed land regulations which were transmitted to them by the Municipal Council, but they

deem

deem the present time inopportune to undertake to put them in force and, therefore, withhold them for the time being.

But my own judgement is that they should be transmitted for further action.

Yours very truly,
(sig'd) Charles Denby.

2D ASSISTANT SECRETARY.
Ack by No. 4 file
SEP 19 1887

DEPARTMENT OF STATE
SEP 19 1887
RECEIVED

No. 430

Legation of the United States.

Peking, August 6th 1887.

Mr. Denby to the

Secretary of State.

Subject.

Encloses newspaper clipping

on American Syndicate

One enclosure.

No. 430

Legation of the United States.
Peking August 6th 1887.

To the Honorable
Thomas F. Bayard
Secretary of State
Washington, D. C.

Sir:

I enclose herewith a newspaper slip cut from the North-China-Daily-News of the 30th ultimate on the American Syndicate.

I have the honor to be,
Sir,
Your obedient servant,
Charles Denby

Enclosure
1. Clipping as above.

TIENTSIN.

(FROM A CORRESPONDENT.)

The *Chinese Times* of yesterday contains some references to the negotiations of the great American Syndicate whose representative has been in Tientsin for some time which are not quite accurate. The proceedings have been kept unusually secret and it is not surprising that erroneous reports should get about. So far as the Telephone concession is concerned I hear from various quarters that it is a mere sham perhaps only a decent cloak for advancing funds ostensibly for the use of the Telegraphs. Anyhow the "Concession" is limited to a permission given to put up and work the American telephone at the treaty ports within a narrow circumference. But the Chinese are quite aware that the foreign municipalities have sole jurisdiction over the only part of the treaty ports which the American Telephone Company are likely to be interested in. There is no permission given to the Telephone Company to connect one port with another and, in a word, their concession amounts to nothing.

Not so the great Bank scheme which they have carried through by the aid of Shêng and the brothers Ma. It is to be a very large concern and is to have agencies in all the provinces. The capital is to be half Chinese and the management jointly Chinese and American. All government loans are to be negotiated by the bank and all payments for war material, public works, and foreign embassies are to be made through the bank. Paper money is to be issued under government sanction and the mint is to be under charge of the Bank. This scheme of course takes the wind out of the sails of many existing institutions, both financial and industrial. For the new bank, with a very long name, is to manipulate contracts as well as provide for them.

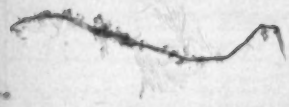
As to the means by which this brilliant result has been achieved there is not much to be said excepting that a sudden and complete success like that was not to be had without a proportionate sacrifice. Very large sums are to be lent at very low interest, say three per cent., and for one year no interest is to be charged. The bait was irresistible. And the Ma's and Sheng's we may be sure have not been forgotten in the distribution of the good things for the labourer is worthy of his hire.

24th July.

The following are the paragraphs in the *Chinese Times* to which our Correspondent alludes:—

A gentleman of Polish name, Count Mitkiewicz, has appeared in our midst. He comes from Philadelphia, and apparently, is the representative of the inventor or owners of the patent of a very remarkable telephone, by use of which the voice can be carried to long distances, even as far as 1,000 miles, it is said. The common telephone, on account of its excessive sensitiveness to atmospheric conditions, has, so far, disappointed expectation, but if Count Mitkiewicz's instrument answers to statements made, it will be possible to speak with Shanghai or Chefoo for instance. The instrument is to be fitted to portions of the lines of the Chinese Telegraph Administration between Kaiping and Tientsin. As the patentees make a large loan to the Chinese Telegraph Administration it is porbable that Chinese land lines will be improved in length and efficiency. The Chinese Government cannot carry on its rule properly now unless there is telegraphic communication of a sound kind between Peking and the provincial capitals and principal cities of the Empire.

It is reported that Mr. Mitkiewicz, on behalf of the great Philadelphia Syndicate, has concluded with Sheng Hsinhsun and MaChien-chung, with the consent of His Excellency the Viceroy, a gigantic financial arrangement, which is to embrace not only the creation of a National and International Imperial Bank and Coinage, but is to control all contracts for Telegraphs, Railways, and Government works.



No file

No. 431.

DEPARTMENT OF STATE
SEP 19 1887
RECEIVED

Mr. Williams

Legation of the United States,
Peking, August 6th, 1887.

Mr. Charles Denby.
to the
Secretary of State.

Subject.
Acknowledges receipt of despatches.

N°. 431.

Legation of the United States,
Peking, August 6th, 1887

The Honorable
Thomas F. Bayard
Secretary of State
Washington. D.C.

Sir,

I have the honor to acknowledge the receipt of your despatches numbered 205 of June 10th, 206 of June 13th and 208 of June 18th last.

I have the honor to be,
Sir,
Your obedient servant,
Charles Denby

2D ASSISTANT SECRETARY.
Ack by No. & file
SEP 19 1887

DEPARTMENT OF STATE
SEP 19 1887
RECEIVED.

№ 432

Mission

Legation of the United States.

Peking, August 9th 1887.

Mr. Denby to the

Secretary of State.

Subject.

The Philadelphia Syndicate.

Two enclosures.

No 432.

Legation of the United States.

Peking August 9th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I enclose herewith clippings from late Shanghai papers which will give you some insight into public sentiment on the subject of the Philadelphia Syndicate.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

Enclosures

1. Clipping from N.C.D.N. Aug 1st 1887.
2. " " Shai Courier " "

Enclosure 1 in No 432.

With China. Daily News, Aug 1st 1887.

From different correspondents at Tientsin we learn that Court Mitkiewicz having —provisionally and subject to the approval of his principals—agreed upon the statutes of the "National and International Amalgamated Bank" for Chinese finance, coinage, paper money, provincial funds, construction, contracts etc., with the Viceroy Li, represented by the Taotais Chou-fu, Sheng, and the Ma's, will leave Shanghai for Philadelphia, U.S. at once, as he is under engagement to return to Tientsin within ninety days. He takes with him a letter signed by the Viceroy Li, giving conditional acceptance to the enormous and unexampled proposals of the Polish noble. It would appear that, at the last, the Chinese officials had some misgivings about the consequences of their acts, and the contract or provisional agreement, as it now stands, does not textually exclude competition, and does not in precise terms convey absolute monopolies. Loopholes have been left for extrication or safety. Apparently, and according to the judgment of observers, the business provisionally arranged consists primarily in a well planned scheme to raise or sustain the price of silver. The scheme, in the rest of it, can be split up and subdivided, so that in the end it may come to be a number of separate concessions, each sold to and to be exploited by a separate and distinct copartnery or association. Some of the concessions thus may not be deemed valuable, and in such case would come to nothing; others may be found valuable, and then the concessionaires would sell their interests to people willing to buy. It is said the whole business, with all its mixture of practical and fantastic details, has been arranged between Court Mitkiewicz and the Taotais Sheng and Ma Kien-chang. The inclusion of Mr. George Butler is held to be a sign that the Marquis Tsêng will regard the affair with friendly eyes, and that from that Chinese dignitary support may be expected, other matters notwithstanding. None of the Viceroy Li's foreign advisers, it is said, such as Mr. Detring, Commissioner of Customs at Tientsin and others, have been consulted, in fact, officially, they are supposed to be ignorant of the affair, and consequently cannot be held responsible for the extravagance of the projects, as a whole.

NOTES FROM NATIVE PAPERS.

The *Hu Pao* says the Buttery department of the Household is so short of funds that it has been obliged to borrow Tls. 500,000 at 7 per cent a year from a "foreign hong" in Peking. The persons receiving payment will be charged 1 per cent a month for three months in consideration of this advance, and the borrowed capital will be refunded as taxes flow in during the autumn. The same correspondent confirms the statement that Mr. Mitkiwicz has lent Tls. 2,500,000 at very low interest to the Tientsin authorities in consideration of receiving contracts for telegraphs, telephones, mints, road-making, &c.

THE CAPTURE OF CHINA.

(COMMUNICATED.)

During the past fortnight, in Tientsin, a series of prodigious financial and industrial operations, partly in a tentative or provisional sense, have been proposed, agreed to with quick acceptance, and—as regards preliminaries—contracted for between the Viceroy Li, represented by the Tao-t'ais Chou Fu, Sheng Hon-soon, Ma Kien-chang and his brother, and the Naval Secretary, Lo Fong-loh on one side, and a syndicate or association of bankers and capitalists of Philadelphia, U.S. and other places represented by Count Eugene Stanislow Kostka de Mitkiewicz, a Pole, now a naturalised citizen of the United States.

Probably for purposes of mystery and mystification (Jove was oft enshrined in clouds) this titled gentleman has borne other names in China, just as Achilles did when amongst the women, and as royal personages for sake of escaping troublesome observation use fictitious designations or minor titles when travelling. The Count was therefore reported on his arrival in this land as Dr. Macartney, to whom indeed he has some outward resemblance; then he was, it was said, the special military attaché of the Marquis Tsêng. With writers of melodrama there is a common stage device for avoiding identification at critical times. When a new comer appears on the scene one of the characters says to his companions in gruffest bass: "Let us dissemble."

The names of the Philadelphian syndicate have not been made public, but it is announced—with suppressed ostentation—that the combination has the support of the so-called "silver ring." Names not given, but you will not be far wrong in deeming that such a "ring" should naturally include Messrs. Flood, Mackay and other "Silver Kings." Count Mitkiewicz also has credentials from that sweet and innocent lamb, Mr. Jay Gould, and likewise recommendations from the Secretary of State at Washington, Mr. Bayard. The Chinese Minister at Washington has also given high recommendations. In the dim back ground, partly screened from too bright light, will be found Mr. George Butler.

The first arrangement made is rather obscure, so that I think the Chinese officials—whose acquaintance with compacts of the kind is limited—do not yet see the possible scope of it. The Count and his associates possess—the right word is control—a telephone of rare perfectness. This instrument is to be fitted to certain and not numerous stations under curious limitations. A telephone trustworthy in all weathers would have many advantages over the ordinary recording electrical instruments, but as no record can be kept of the number of words telephoned it would not be easy to fix terms of royalty unless at one annual charge without reference to the scheme of traffic. If the new telephone works well, the public will prefer it, and the ordinary instruments of trans-

mission will be correspondingly disused. Now as the Chinese Telegraph Co. does not buy the telephone, but allows its attachment to the land wires, any profits of royalty will be counterbalanced by the deficits on the Administratior's ordinary modes for transit. The Philadelphian Syndicate, however, lends to the Chinese Telegraph Administration, the sum of 2½ millions of taels, silver repayable in silver, at the yearly interest of three (3) per cent. In return the syndicate will supply all materials and apparatus, provide constructors and engineers, and oversee the long new lengths of line which are to be constructed straightway. This arrangement appears to be highly advantageous, and partially but not wholly solves a serious difficulty. I question whether the Chinese quite know what they are doing, but as the arrangement will in the end work well, or should do so, foreign observers regard it with satisfaction. There is also a subsidiary loan of one million taels at low rates of interest, for special ends.

Away from the coast the Chinese land lines have a very small revenue, in fact have to be supported by the profitable lines which run from Tientsin to Canton by way of Shanghai. Until, at some future period, affairs change, the interior lines will scarce pay the cost of working them. When railways stretch over the country telegraphic inter-communication will naturally increase. If the Imperial Government rightly apprehended the necessities of the Empire, a complete trunk system would by this time have connected all the provinces and all considerable provincial towns and cities with Peking for the benefit, convenience and practical conduct of government. The revenue would be small and insufficient, it is true, but the provinces and central state together should guaranty to the Telegraph Administration a minimum dividend on the outlay for making and working the lines. A telegraph system is, in fact, as essential a charge upon government as the army or navy, and to defer electric connections until the lines will support themselves, or pay profit, is folly. The arrangement made, therefore, is incomplete, as a subsidy must be given, but the step is in a right direction. So far good.

It is said the advance indicates a co-partnership between the Chinese Telegraph Administration and the Philadelphian Syndicate. If the surmise, based as it is on known facts, is completely justified the sign of change thus given is remarkable indeed. So far China, like Japan, has said to foreigners:—"You may not hold shares in your own names in the China M. S. N. Co. or in the Kaiping coal mine; or in the Chinese Telegraph Administration; no concessions will be given to you on Chinese non-extraterritorialised ground; you may not own mines; if you advance money on mines, no lien, or security or mortgage on it will, in your hands, be valid." If any co-partnership in the land telegraphs has been deliberately sanctioned, the gates of exclusion are thrown open. Logically we could ask for and logically obtain in quality of foreigners' rights to own and construct and work railways; to enter into inland steam navigation—one of China's most pressing *desiderata*—acquire and work mines, and have, under full legality, valid liens on mines and other properties. We might have also legal partnerships with Chinese for business away from the treaty ports, and, in fact, should henceforth find that China is open to all or any who wish for entry.

The main business of Count Mitkiewicz which he has concluded provisionally, and subject to the approval of his principals or associates in America, is the most astounding transaction as regards magnitude, that has ever been made since this round world began, with the one sole and singular exception of the arrangement made by Herr Bleichroeder of Berlin and other Hebrew magnates of high finance, to transfer to Germany the indemnity of two hundred million pounds sterling extorted from France in 1871. In magnitude the arrangement made between China, represented by the Viceroy Li and his subordinates, and Philadelphia, U.S., represented by Count Mitkiewicz is not inferior, in fact—if regarded in its tentatives—is larger and much more important. What existing banks will say will soon be heard in dolorous chorus. Just now in appears as if the new American-Chinese financial institute, like Aaron's serpent, will swallow all the rest.

A National and International Amalgamated Bank is to be formed, under Imperial charter, giving sole and exclusive rights as far as regards the Chinese Imperial and Provincial governments. The bank is to be supplied by America and China with capital, a huge amount, in proportions to be fixed hereafter, but mainly American. It will establish itself in *all* Chinese political and commercial centres. It will be founded in *all* foreign cities with which China has trade or political interests. It will have the *sole* right to coin money. It will receive and disburse *all* Imperial and provincial treasury funds. It will carry on the finances of the Imperial and Provincial governments. It will act, in a large sense, as a *crédit mobilier*. It will advance funds and construct *all* railways, *all* telegraphs, *all* canalisations, *all* river improvements, *all* systems of drainage. It will take in hand forts, camps, fleets, armies, arsenals, navies, public works. In fact its scope is measureless. Now the first operations of comprehensive banking, paper money, coinage, railways, Yellow River reclamations, etc.—I speak advisedly and on authority of those who have understanding—will deal in the aggregate with sums exceeding 200 millions of pounds sterling.

In Tientsin, as often happens, the fact of the contract is not well known, but the few there who do know regard it and its astonishing concessions with amazement akin to stupefaction. But against it, as there is much of possible good in it, there is no hostility. The French Syndicate was regarded by all foreigners not French with intense hostility, not because it was French, a matter that had nothing to do with the feeling of resentment, but because the methods of procedure were questionable, irritating, unfair, and because the official action in connection deserved repudiation. In Tientsin these is also a very powerful German Syndicate, which all people there regard with favour and respect, because its ways are high minded and fair-dealing. There is no hostility to Count Mitkiewicz—any way a man who deals with hundreds of millions as he puffs his cigarette can disregard them—but none exist. He came, saw, and conquered. If he put his most enormous schemes with honourable dealing, China quickly transformed for the better world. We all hope, however, that not represent an association of pean types which have cursed countries, bloodsuckers, thieves, harpies, who have equally preyed ruined Turkey, Egypt, Servia

Enclosure 2 in No 432.

Shanghai Courier Aug. 1st 1887.

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ally preyed upon and
, Servia and Tunis.

X.

THE PHILADELPHIA SYNDICAE.

We are not among those who are thrown into a state of consternation and call out in terms of bewilderment by the premature and imperfect news that has been published in reference to the so-called capture of China by the Philadelphia Syndicate. On the contrary the negotiations are known to not a few to have been going on for at least six months, but, after all, it is not surprising that the know-alls in Tientsin, the hirelings of the bloodsuckers, and the correspondent of the *N.-C. Daily News*, have been hoodwinked by a gentleman who represent a body of capitalists, as strong and as honest as any other who have been laying their favours at the feet of the Chinese statesmen. Count Mitkiewiez has honourably conquered, but his success is not altogether on the lines of detail sketched in this morning's *N.-C. Daily News*, whose writer seems anxious to make the public believe that the introduction of a wonderful telephone is the great feature that is to crown the success achieved. Far from it. The telephone is to be, as it were, an insignificant mite of the immense whole, as a mere drop is to the ocean, the *piece de resistance* being the Amalgamated Bank of China and America that is to be brought into existence. "X" from Tientsin, well describes this. The bank is to be supplied by America and China with capital, a huge amount, in proportions to be fixed hereafter, but mainly American. It will establish itself in *all* Chinese political and commercial centres. It will be found in *all* foreign cities with which China has trade or political interests. It will have the *sole* right to coin money. It will receive and disburse *all* Imperial and provincial treasury funds. It will carry on the finances of the Imperial and Provincial governments. It will act, in a large sense, as a *crédit mobilier*. It will advance funds and construct *all* railways, *all* telegraphs, *all* canalisations, *all* river improvements, *all* systems of drainage. It will take in hand forts, camps, fleets, armies, arsenals, navies, public works. In fact its scope is measureless. Now the first operations of comprehensive banking, paper money, coinage, railways, Yellow River reclamations, etc.—I speak advisedly and on authority of those who have understanding—will deal in the aggregate with sums exceeding 200 millions of pounds sterling." Here is the amalgamation of intellect, experience, and strength in all its phases, that China wants, and to obtain it she has accepted the offer from the nation that, to-day, it is no exaggeration to say is, with her rival mother, the foremost in science and enterprise, and the least likely of all to have international complications in the Far East. We may add that in writing on the Syndicate crazes since the close of the Franco-Chinese war, we have pointed out that China's first duty was to set in order her central and provincial treasuries, with the end to bring them under one concentrated influence. The Bank will do this. But it is a gigantic enterprise, and one directly aimed at China's greatest evil, individual power in the provinces, and the mandarinate generally, consequently it must not be taken for accomplished till the real thing stares you in the face. China is on the right track, and a wise continuation of her line of policy can not fail to be successful.

2D ASSISTANT SECRETARY.
Ack by Sec. & file
SEP 19 1887

DEPARTMENT OF STATE
SEP 19 1887
RECEIVED.

No. 433. Confidential

Mr. Millard

Legation of the United States.

Peking, August 10th 1887.

Mr. Denby to the

Secretary of State.

Subject.

The Philadelphia Syndicate.

Confidential.

No. 433.

Legation of the United States.

Peking, August 10th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

Adverting to my despatch No. 413, of date July 22nd ult., having relation to the syndicate represented by Mr. Mitkiewicz, I have the honor to offer a few observations based upon information which I have received from a private and, I believe, a reliable source.

Mr. Mitkiewicz, on reaching

Tientsin

Kentsin, first talked telephones to the Chinese; but his great object appears to have been to offer American money very cheap - about 3% - and so get permission for a Bank, which will control all kinds of public works, and thus get fair profits in return for the low interest.

I am informed that everything seems to hinge on whether the Philadelphia Syndicate will agree to the terms proposed by the Chinese. The Viceroy Li, therefore, sent his Chinese representative to the United States with Mr. Mitkiewicz to meet the Syndicate, connect

consult and telegraph the result, decision to be given yes or no within six months.

It is said that the trouble will be that the Syndicate, for its own protection, will want to have more absolute control than the Chinese may care to give, and when the Syndicate comes to realize what Chinese control really means, they may hesitate. However, there is a strong impression that the business proposed by Mr. Mitkiewicz will be arranged to the satisfaction of the parties concerned.

In

In his negotiations, Mr. Mithiewicz seems to have acted very discretely (discreetly?) and confided in no one but the Chinese concerned, and they have been very close.

Now that Mr. Mithiewicz has left for the United States and the scheme is gradually leaking out, the English, French and Germans, will be sure to do what they can to upset it; for it is generally conceded that if the business succeeds all Government transactions will go to the Bank.

I have the honor to be, Sir,
Your obedient servant,
Charles Denby

2D ASSISTANT SECRETARY.
Ack by no. & file
SEP 19 1887

DEPARTMENT OF STATE
SEP 19 1887
RECEIVED.

No 435. Mr Williams

Legation of the United States.

Peking, August 11th 1887.

Mr. Denby to the

Secretary of State.

Subject.

A remonstrance filed by the Fifth Prince in favor of economy.

Synopsis.

The Fifth Prince protests against the rebuilding of the Summer Palace. Empress orders all works stopped.

No. 435.

Legation of the United States.

Peking August 11th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I have the honor to report, as perhaps interesting to you, a curious incident in this strange Government.

The Empress has lately ordered extensive repairs at Nan Hai and Pei Hai, pleasure grounds attached to the Palace. She was also contemplating the repair of the Summer Palace,

Yüan

Yüan Ming Yüan, which was destroyed by the French and English in 1860.

The Fifth Prince, who is a brother of Prince Kung and Prince Chün — the Sixth and Seventh Princes — submitted a memorial against these expenditures. The Fifth Prince is the only one of the Imperial Family who is poor. His remonstrances for that reason have great weight. The Fifth Prince cites that the late Emperor, Hsien Chih, on being remonstrated with on a similar occasion, gave up the contemplated repairs. It is said that the Empress, on

reading

reading the memorial, burnt
into tears and ordered all
repairs to be stopped except
such as are nearly completed.
The grounds assigned in the
memorial are economy and
the depleted state of the
treasury.

I have the honor to be,
Sir,
Your obedient servant,
Charles Denby

DEPARTMENT OF STATE
SEP 19 1887
RECEIVED.

No. 436.

Legation of the United States.

2D ASSISTANT SECRETARY
Ack by No. + file
SEP 20 1887

Peking, August 11th 1887.

Mr. Denby to the

Secretary of State

Subject.

The selection of a consort and secondary wives for the Emperor.

No 436.

Legation of the United States.

Peking, August 11th, 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

The Empress Dowager has selected as consort for His Majesty, the Emperor Kuang Hsü, a daughter of Duke Chao, a Manchu nobleman. A daughter of each of the following named Manchus has been selected as concubine for His Majesty: the Governor-General of Hunan, the Governor-

General

General of Kuku, the Governor of Kiangsi and a member of the Board of Revenue.

The word "concubine" does not accurately describe this relation. These ladies are considered as secondary wives. Their children are legitimate and are by a fiction supposed to be the children of the first wife. They owe obedience and respect to the first wife. The present Empress Dowager herself was a second wife and the mother of the late Emperor Kung Chih.

The marriage will take place in the spring.

I have the honor to be, Sir,
Your obedient servant,
Charles Denby

Desp. mis. aca
Ygpm. No. 10
No. Cn. Gen

DEPARTMENT OF STATE
OCT 6 1887
RECEIVED

F. Wharton

No. 437. Three inclosures.

Legation of the United States.

Peking, August 12th 1887.

Mr. Denby to the

Secretary of State.

Subject

Duty on soft wood planks.

Synopsis.

Mr. Denby objects to action of Customs authorities at Shanghai in altering the duty of 7 mace per 1000 sq. ft., levied on soft wood planks, to an ad val. tax of 5%. Correspondence with Yamên submitted. Instructions asked.

No. 437. Three inclosures.

Legation of the United States.

Peking August 12th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

Mr. John Russell, Young in his despatch No. 118 to Mr. Frelinghuysen, dated Feb. 2nd 1883, apprised him of the fact that the Customs authorities at Shanghai raised the duty on soft wood planks. Mr. Young also wrote to the Tsung-li Yamên opposing the new import, which, as

as he remarked required the consent of the parties in covenant and could not be imposed by the subordinate officials of the Chinese Government.

Mr. Secretary Frelinghuysen in his reply to the above despatch, No 109 of April 25th 1883, approves Mr. Young's conclusion, saying "This point "is so clear that no difficulty "should be found in reaching "a satisfactory conclusion".

On April 16th 1883 the Tsung-li Yamên answered the despatch of Mr. Young by forwarding to him a memorial from Sir Robt. Hart pointing

out

out his reasons for introducing the new mode of levying duties. Since then the foreign representatives at Peking who had taken part in the question dropped the subject, it having been found that the merchants considered the new method of measurement, although disadvantageous as to very thin planks, as rather less burdensome than had been originally supposed.

On the 17th of July last this Legation was informed that the Commissioner of Customs at Shanghai had issued a notification on the 10th May stating that from

that

that date, duty at the rate of five per centum ad valorem would be levied on soft wood planks.

This notification being a direct violation of the provisions of the treaties, I wrote to the Tsung-li Yamên requesting the Ministers to order the notification to be cancelled, as the treaty provides that soft wood planks will pay a specified duty of Tls. 0.7.0.0 per 1000 sq. feet. The Ministers for Germany, Great Britain, and, I believe, France wrote to the Yamên notes of a similar character.

1/

On July 31st the Yamên replied

2/

replied stating that the present system of levying duties on planks "is not "uniform (at the different ports); "there is a great difference in "the weight of the planks "and the manner of levying "duties at Shanghai and "Canton is not the same. Hence "the Yamên desired to deliberate "and decide upon a uniform "rule, one that would be "convenient to both Chinese "and foreign merchants alike "and easy to observe and "follow, thus dispensing with "having in force different "systems."

The change made, the

Yamên

Yamên goes on to say "is a
"slight modification, but by
"no means an alteration of
"the tariff". Furthermore on
account of the planks being
of different thickness, the
Yamên considers that they
may be looked upon as
articles not enumerated in
the tariff and be, consequently,
chargeable with an ad valorem
duty of 5%.

On August 8th I
addressed the despatch of
3/ which I enclose a copy,
stating that I could not see
my way to accede to the
alteration of the tariff and
requesting again that the
order

order be withdrawn until I could receive your instructions.

The alteration in the tariff is an important one for the duty as provided by the tariff does not take into consideration the thickness of the planks, but the Chinese Government cannot possibly find any difficulty in remedying this by adopting a uniform method of measurement.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

Inclosures.

1. Mr. Denby to Tsung-li Yamên July 21st 1887.
2. Tsung-li Yamên to Mr Denby No 12 July 31st 1887.
3. Mr. Denby to Tsung-li Yamên No 9 Aug. 8th 1887.

Enclosure one in No. 437.

Copy.

Informal -

Peking, July 21st 1887.

Your Imperial Highness
and Your Excellencies:-

This Legation has been informed that on the 10th May last the Commissioner of Customs at Shanghai published a notice to the effect that on soft wood planks would henceforth be levied a duty of 5% ad valorem.

This notification is a distinct contravention of Treaty stipulations which provide that soft wood planks will pay a specified duty of Hs. 0.7.0.0 per 1000 sq. ft.

The Minister of the United States well knowing the extreme care always shown by the Chinese Government to carry out treaty

treaty stipulations and to preserve the existing good relations, hopes that the Yamên will at once instruct the Commissioner of Maritime Customs at Shanghai to cancel this order for the issuance of which he had no proper authority.

Enclosure 2 in No. 437

Copy

No 12/1887.

Peking, July 31st 1887.

The Tsung-li Yamên
to Mr. Denby.

Your Excellency:

Upon the 21st inst. the Prince and Ministers had the honor to receive a note from Your Excellency in relation to the collection of duties (at Shanghai) on soft wood planks at an ad valorem rate of 5%, which you regarded as a contravention of treaty stipulations, etc.

In reply they would observe that it appears with regard to the duties on soft wood planks, under the regulations hitherto in force at all the Customs Establishments, one inch has been taken as the thickness of

a

a plank. But the Customs Authorities at Canton state that soft wood planks, at Shanghai, are imported from foreign countries; that the native product exported at Shanghai by Chinese merchants is all three inches and upwards in thickness, but three inches (is taken as the standard) thickness of a plank. The system is not uniform; there is a great difference in the weight of the planks and the manner of levying duties at Shanghai and Canton not the same, hence the Yamên desired to deliberate and decide upon a uniform rule- one that would be convenient to both Chinese and foreign merchants alike and easy to observe and follow, thus dispense with having in

force

force different systems.

The dimensions, size, length, breadth and thickness of all the various kinds of soft wood planks (such as are) imported and exported, were measured and (value) estimated, and it was decided that duties, import and export, should be levied on foreign and native planks at an ad valorem rate of 5%, as specified in the tariff for articles not enumerated; that the barrier dues (lekin) should be fixed at an ad valorem rate of 2½%.

These are the circumstances of the Yamên's deliberations. This is a slight modification but by no means an alteration of the tariff; therefore the Prince and Ministers did not address

Your

Your Excellency before
taking action in the premises.

The observations made
in Your Excellency's note, as
above, are based entirely
upon the wording of the
tariff, but you have not
carefully estimated (the
difficulties experienced on
account of) the thickness of
soft wood planks not being
uniform, and the different
systems of collecting duties
on them at some of the Customs
Establishments.

Further the tariff reads:
"Articles not enumerated in
"either list nor in the list
"of duty free goods will
"pay an ad valorem duty
"of 5% calculated on their
"market value."

As in duty bound
the Prince and Ministers
lay before Your Excellency

the-

the reasons of their having
made the modification
(referred to) and the express
the hope that you will give
them your friendly support
and instruct the merchants
of your nationality to observe
and follow the new rule
to the end that a uniform
system may be enforced
and thereby avoid any
obstruction to it.

Enclosure 3 in No 43)

opy

No 9/1887.

Legation of the United States.
Peking, Aug. 8th, 1887.

Your Imperial Highness
and Your Excellencies:

The
Minister of the United States
has the honor to acknowledge
the receipt of Your Imperial
Highness and Your Excellencies
comunication of the 31st ult.
in reply to his note of 21st
of July having relation to
the duties on soft wood
planks. He cannot see his
way clear to accede to the
alteration of the Tariff whereby
soft wood planks pay a
duty of seven mace per 1000
sq ft. to an ad valorem tax
of five per cent.

He expresses the hope
that the inconveniences of
which Your Imperial Highness

and

and Your Excellencies complain may be remedied in some other manner.

He has the honor to request that the order changing the tariff be withdrawn until he can receive the instructions of his government. He will immediately inform his government of the desire of Your Imperial Highness and Your Excellencies to modify the treaty so as to permit an ad valorem tax to be levied on soft wood planks.

Dispatches

DEPARTMENT OF STATE
OCT 6 1887
RECEIVED.

No. 438 acd. by 20 Offd

Legation of the United States,
Peking, August 15, 1887.

Mr. Charles Denby
to the
Secretary of State

Subject

Acknowledges receipt of despatches.

N°: 438.

Legation of the United States,
Peking, August 15, 1887.

The Honorable
Thomas F. Bayard
Secretary of State
Washington. D.C.

Sir,

I have the honor to acknowledge the receipt of your despatches numbered 207 of June 14th., 209 of June 24th. 210 of June 25th., 211 of June 28th. 212 of June 29th. 213 of June 30th. 214 of July 1st., 215 of July 2d. 216 of July 5th., 217 of July 6th.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby,

DEPARTMENT OF STATE
OCT 6 1887
RECEIVED.

Williams
8

No 439

Legation of the United States.

2D ASSISTANT SECRETARY
acted. Oct. 11.
Cutler
OCT 7 1887

Peking August 15th 1887.

Mr. Denby to the

To Press Oct. 10.

Secretary of State

Subject.

Proclamation reducing Lekin tax on kerosene oil at Canton to 50¢ per box

Synopsis.

Abstract of proclamation is set out and attention called to the fact that it is based on increase of smuggling and not on danger or hazard or competition with native oils.

No. 439.

Legation of the United States.

Peking, August 15th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I have already had the honor to inform you that the Lekin tax on kerosene at Canton has been reduced to 50¢ per case.

I am now in receipt of the proclamation of the Commissioners of the Head Lekin Office at Canton announcing that reduction. The proclamation is

is very lengthy. The following is an abstract thereof. It sets out that Chang Shin Ying, the farmer of the kerosene lekin monopoly, had filed a petition setting up that the farm tax is altogether $63000; that a lekin of 40¢ had been filed on each bol; that the Customs duty is one mace four candareens (or 20¢) and now a lekin of six mace (84¢) is to be added making the whole levy 1.032 taels (or $1.45); that a bol at Kongkong, ordy costs $1.50 and the heavy tax has so increased smuggling that collections have been small; that kerosene has been brought, only

forty or fifty boxes at a time, from Sheki in Kiangshan, Shatou in Nanhai and Shattong in Jingkoon. The carriers all claimed that the kerosene was for the foreign longz and paid no lekin, "but how can foreign longz use forty or fifty boxes a day?" Latterly, ruffians carried rifles to protect the kerosene. The farmers are not rich and will be ruined if this system continues. Moreover kerosene sold in the northern part of Kuang Jung is transported from Shanghai and Kiukiang and avoids lekin. The only way to stop smuggling is to take off

The

the extra 8¼ d lekin tax. The farmers offer to pay - if the reduction be made - an additional $37.000, making the whole sum paid $100.000 at 7 mace (97 d to $1=). In accordance with this petition the Commissioners of the Kuang Tung Head Lekin Office, which consists of the Treasurer, Judge, Salt Commissioner, Grain Intendant and Effectant Taotai, reduce the extra lekin to 10 d on each bbl, making the lekin now 50 d. The reduction dates from July 18 th 1887. This action is put on the sole ground that kerosene was smuggled so largely as to

destroy

destroy collections. It is worthy of notice that the proclamation of Nov. 18th and Dec. 18th 1886, by which the extra lekin was levied, as well as the communication of the Tsungli Yamên to me on the subject, were all based on the grounds that kerosene was hazardous and dangerous and interfered with the sale of native oils. In this new proclamation not a word is said of like character. When the revenues declined by reason of smuggling the pretended reasons for the increase of lekin disappeared from view.

This case furnishes an apt

apt illustration of the duplicity of which foreign nations have so long complained in Chinese diplomacy.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

file

DEPARTMENT OF STATE
OCT 6 1887
RECEIVED.

Williams

8

No. 440.

Legation of the United States,
Peking August 13th 1887.

Mr. Denby to the
Secretary of State.

Subject
Opinion in China on the
Philadelphia Syndicate.

Synopsis
Gives the views of leading
papers. Expresses an opinion
that the proposed contracts
will be sustained by the
Imperial Government.

One enclosure.

No. 440.

Legation of the United States.

Peking August 13th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

The plans of the Philadelphia Syndicate still continue to be discussed in all possible phases by the press and foreigners in China. The English, French and German Representatives are much exercised over the success of the Americans and prophesy all species of resulting evils.

The Shanghai Courier defends the

the Syndicate and argues that it is the duty of all disappointed aspirants for Chinese concessions to acquiesce in measures which are much needed and will operate to the good of all.

The North-China Daily News, a distinctive English paper, continues to publish ponderous leaders against the scheme. In its issue of the 6th instant it admits that a National Bank and a coinage system are desirable, but it denounces the concessions made as rash and sweeping. It foresees great opposition from the viceroys, who will be shorn

of

of some of the ancient dues and it seeks to avay the new proposition of Chang Chih-tung, Governor General of the Two Kuangs, against the Americans.

I enclose, herewith, the memorial of Chang Chih-tung for the coinage of silver dollars, which the News alludes to.

It is difficult, of coune, to forecast the final action of the Imperial Government, but my judgement now is that the action of Li Hung Chang will be sustained, and, if the Americans carry out their part of the contract it will be executed

executed. The shares of the Hongkong and Shanghai Banking Corporation have already declined in view of the expected competition.

The influence of Li Hung Chang is great and the most intelligent Chinese admit — as the foreigners have long contended — that something must be done to introduce system into the existing chaos of Chinese finances. Provincial revenues must be brought under Imperial control, the Empire must have a regular revenue or it cannot maintain its Army and Navy, and the pay of officials must be

regulated

regulated and salaries take
the place of the ~~nonsensical~~
"squeezes". Those persons who
are not personally interested
in securing jobs or contracts
see in the new scheme immense
benefits (such as; the establishment
of a proper ~~civil~~ service; an
efficient army; an effective
navy; a net-work of railroads;
improved rivers; paper money
with Imperial guarantee; uniform
coinage, weights and measures;
improved mining; a complete
postal and telephone and
telegraph service. The Syndicate
is credited with enormous
wealth.) It is said by some
of the papers that Jay Gould,

Mackay

Mackay, Flood, O'Brien, Vanderbilt are members. (One paper tries to alarm the Chinese by giving an account of the late comer in wheat in Chicago which it says was engineered by the same men.

I need not, I suppose, apologize for taking ~~for taking~~ up so much of your time in reporting this movement and its various phases.) On its face it is as great a finiancial scheme as ever transpired, and in its possible results it may become the most important movement the world ever saw.

I have the honor to be, Su
Your obedient servan
Charles Denb

Enclosure
1. Clipping fr. N.C.D.N. Aug. 6, 1887
"The Views of Canton's Memorial for a Mint"

Enclosure 1 in No

N. C. D. N. Aug 6th 1887.

THE VICEROY OF CANTON'S MEMORIAL FOR A MINT.

A Postscript Memorial from Chang Chih-tung, Governor-General of the Two Kuangs, submitting a proposal for the coinage of silver dollars by foreign machinery:

The province of Kuangtung is the mart of Chinese-European trade, and there the foreign dollar is the circulating medium; not only there, but in Kuangsi, Fuhkien, Formosa, Shantung, Chihli, several of the interior provinces, the north-eastern frontiers, and where there is an open port, the Mexican dollar is taken as the common currency. In this way advantages to our Government of having a national currency of our own are lost, while they are being reaped by other countries. The principles governing the coinage of cash and silver are the same, and that is, they should both be made at our own mints, and by our own methods, in order that we may maintain our national standing. In the province of Kuangtung a system of our own coinage is specially necessary, as the currency there consists principally of old and mutilated dollars, and broken pieces of silver, the use of which is a source of much loss to all concerned. When the recent order was given for the purchase of a set of cash casting machinery for the province of Kuangtung, an order was also made for machinery for the mintage of silver dollars; and it is proposed that a skilled and experienced foreign metallurgist shall be engaged to come to China and begin a series of experimental operations. These operations can be undertaken in connection with the cash mint, and it is calculated that the machinery already ordered will be capable of striking off 30,000,000 dollars a year, while the annual working expenses are estimated at Tls. 30,000 or Tls. 40,000. Or, if a separate mint be necessary for coining silver dollars, such a building would not cost, in all probability, much more than Tls. 100,000.

While the weight of the Mexican dollar is 7 mace and 3 candareens, by the Ts'ao Ping scales, it is proposed to increase the weight of our dollar by 1 candareen and a half, so that it may weigh 7 mace and 3 candareens by the Ku P'ing, or standard scales. On one side of the dollar shall be struck the four characters "Kuang Hsü Yuan Pao," both in the Chinese and Manchu languages, and on the other side there is to be a representation of the Dragon, with the tenth characters, "Kuang-tung Shêng Tsao Ku P'ing Ch'i Ch'ien San Fên," which translated is, "Minted in the Province of Kuangtung, weight 7 mace and 3 candareens by the standard scale," to be both in the Chinese and English languages in order to facilitate its use in trade with foreigners. After the dollars have been issued from the mints, they shall be circulated for official disbursements and *lekin*. In the Canton Imperial Maritime Customs, where Mexican dollars have hithertofore been accepted in payment for duty, this new dollar shall be used along with them; but the quality of our dollar being up to the best standard of foreign silver, and as it weighs more than the Mexican dollar, its value shall be rated accordingly. As the mercantile classes are always ready to embrace opportunities for gain, they will eagerly buy up these dollars, and as soon as they have become current, their value will rise, so that although our dollar is heavier by one mace and 5 candareens than the foreign dollar, it is not possible that any loss will be sustained thereby. Should this proposal meet with the approval of His Majesty, it is requested that an explicit Decree be issued, constituting these newly minted dollars a legal tender in remittances of revenue to Peking, in payments of Customs duties and *lekin*, and in the daily trade of the people. When the mintage operations have commenced, it shall be the duty of the authorities concerned to submit a sample of the new dollar to the inspection of His Majesty, and the sum of one million dollars shall be struck off at the first experiment. If these are found to gain rapid circulation, more shall be minted but the total amount shall not exceed five million dollars at first. But, on the other hand, should these silver coins be found unpopular, the operations can be stopped for a time, and the loss so sustained will be slight, and will be borne by the province of Kuangtung without resorting to the Imperial Exchequer. At the expiration of one year, should the experimental operations in Kuangtung prove successful, a detailed account of all expenses and profits shall be submitted to the Throne, and in turn communicated to the different boards. And then His Majesty shall direct the Board of Revenue to give their attention to this affair, and purchase the required machinery for the establishment of a mint in Tientsin, which will supply the different open ports with this new national dollar. At the same time the mint at Kuangtung shall be allowed to continue its operations, and the number of dollars to be issued by them every year shall be determined by the Board of Revenue should any profits be made, it shall go toward defraying the losses sustained in cash coinage. It is estimated that if the Board of Revenue should purchase machinery capable of striking off 100,000 dollars a day, it will coin in the course of a year 30,000,000 dollars, but allowing for a far less number, that is 10,000,000 dollars per year in a very few years our country will be amply supplied with our own currency, which, if not able to meet all our demands, will at least conserve the profits within our borders. It would seem that a plan like the above, whereby the province of Kuangtung is to make the experiment while the Board of Revenue reaps the profit, would be free from objection; and it is certainly indispensable that the three operations mining, cash and silver coinage should go hand in hand, the profits of the one going to make up the losses of the other; because if mines are successful and profitably developed, the mints will have an ample supply of material, on the other hand, if mintage operations are carried out to a large extent, the copper and lead in our south-western provinces will have a ready outlet. And as mines are further developed, copper will decrease in price, and the coinage of cash will no longer be attended with loss. Before long there will be an ample supply of our national currency, and the disadvantages of using foreign silver coins in the different maritime provinces will be removed. The memorialist begs to submit the above proposals to His Majesty, praying for his sacred glance, and at the same time requesting that he direct the Board of Revenue to speedily consider the scheme on hand and return a report thereon so that operations may be commenced forthwith.—*Chinese Times.*



2D ASSISTANT SECRETARY
Ack. 5 Oct 13
Copy to Secy of Sta. Treasury
for Cs information
OCT 7 1887

DEPARTMENT OF STATE
OCT 6 1887
RECEIVED.

No 441

Oct 13 Curtis
W Millard

Legation of the United States.

Peking August 16th 1887.

Mr. Denby to the

Secretary of State.

Subject.

Proposed mint at Canton.

Synopsis.

Viceroy at Canton memorialized Throne requesting permission to coin silver dollar at Canton. Sanction reported withheld.

One enclosure.

No 441.

Legation of the United States.

Peking August 16th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to enclose, herewith, a translation of a memorial to the Throne by Chang Chih-tung, Governor General of the Two Kuangs, in which he requests permission to coin silver dollars which will be a legal tender in remittances of revenue to Peking in payment of Customs dues

and

and lekin and in the daily trade of the people. Should his proposal meet with the approval of His Majesty, the Governor-General proposes to strike off the sum of one million of dollars as a first experiment. "If there are found to gain "rapid circulation more shall "be minted by successive "operations, but the total amount "shall not exceed fix million "dollars at first". Should the experiment prove successful after a year the Board of Revenue will take the question in hand and purchase the necessary machinery for the establishment of a mint at Tientsin

Tientsin which will supply
the different open ports with
this new national dollar.
The Governor General estimates
that if ten million dollars
are coined a year "in a few
"years our country will be
"amply supplied with our own
"currency, which, if not able
"to meet all our demands,
"will at least conserve the profits
"within our borders".

Chang Chih-tung, it is
stated, has purchased from
Messrs Ralph Keaton & Sons,
of Birmingham, ninety coinage
presses and all the necessary
machinery for a mint, which
has been erected in Canton,
although

although it has not, I believe, commenced coining copper cash, for which it was specially built.

Chang Chih-tung's memorial was refered to the Board of Revenue and I am informed it reported adversely on it; the necessary sanction for the silver coinage has, therefore, been withheld. The reasons which the Board gave are not known to me, but, from the fact that it's report was chiefly based on one forwarded to it by Yeng Kuo-chiian, the Governor-General at Nanking, it may be that personal interests and animosities have

have had something to do with its opposition.

It may be doubted whether anything short of a strictly national coinage could be of any service to China, and it would seem that the introduction of a new coin in such small amount as proposed by the Governor-General at Canton would only make confusion more confounded. It is also doubtful whether the choice of the dollar was a good one, and whether it would not have been better to issue a coin worth a <u>tael</u>, which is, after all, the standard silver

monetary

monetary division of China.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

Enclosure

1. Memorial of Chang Chih-Tung

ex Chinese Times, July 26th 1887.

No. 441 Inclosure.

July, 1887.

A Memorial for a Mint.

A postscript memorial from Chang Chih-tung, Governor-General of the Two Kuangs, submitting a proposal for the coinage of silver dollars by foreign machinery:

The province of Kuangtung is the mart of Chinese-European trade, and there the foreign dollar is the circulating medium; not only there, but in Kuangsi, Fuhkien, Formosa, Shantung, Chihli, several of the interior provinces, the north-eastern frontiers, and wherever there is an open port, the Mexican dollar is taken as the common currency. In this way the advantages to our government of having a national currency of our own are lost, while they are being reaped by other countries. The principles governing the coinage of cash and silver are the same, and that is, they should both be made at our own mints, and by our own methods, in order that we may maintain our national standing. In the province of Kuangtung a system of our own coinage is specially necessary, as the currency there consists principally of old and mutilated dollars, and broken pieces of silver, the use of which is a source of much loss to all concerned. When the recent order was given for the purchase of a set of cash casting machinery for the province of Kuangtung, an order was also made for machinery for the mintage of silver dollars; and it is proposed that a skilled and experienced foreign metallurgist shall be engaged to come to China and begin a series of experimental operations. These operations can be undertaken in connection with the cash mint, and it is calculated that the machinery already ordered will be capable of striking off 30,000,000 dollars a year, while the annual working expenses are estimated at Tls.30,000 or Tls.40,000. Or, if a separate mint be necessary for coining silver dollars, such a building would not cost, in all probability, much more than Tls.100,000.

While the weight of the Mexican dollar is 7 mace and 3 candareens, by the Ts'ao Ping scales, it is proposed to increase the weight of our dollar by 1 candareen and a half, so that it may weigh 7 mace and 3 candareens by the Ku P'ing, or standard scales. On one side of the dollar shall be struck the four characters "Kuang Hsû Yuan Pao," both in the Chinese and Manchu languages, and on the other side there is to be a representation of the Dragon, with the ten characters, "Kuangtung Shêng Tsao Ku P'ing Ch'i Ch'ien San Fên," which translated is, "Minted in the Province of Kuangtung, weight 7 mace and 3 candareens by the standard scale," to be both in the Chinese and English languages in order to facilitate its use in trade with foreigners. After the dollars have been issued from the mints, they shall be circulated for official disbursements and for the payment of revenue and *likin*. In the Canton Imperial Maritime Customs, where Mexican dollars have hithertofore been accepted in payment for duty, this new dollar shall be used along with them; but the quality of our dollar being up to the best standard of foreign silver, and as it weighs more than the Mexican dollar, its value shall be rated accordingly. As the mercantile classes are always ready to embrace opportunities for gain, they will eagerly buy up these dollars, and as soon as they have become current, their value will rise, so that, although our dollar is heavier by one mace and 5 candareens than the foreign dollar, it is not possible that any loss will be sustained thereby. Should this proposal meet with the approval of His Majesty, it is requested that an explicit Decree be issued, constituting these newly minted dollars a legal tender in remittances of revenue to Peking, in payments of Customs duties and *likin*, and in the daily trade of the people. When the mintage operations have commenced, it shall be the duty of the authorities concerned to submit a sample of the new dollar to the inspection of His Majesty, and the sum of one million dollars shall be struck off at the first experiment. If these are found to gain rapid circulation, more shall be minted by successive operations, but the total amount shall not exceed five million dollars at first. But, on the other hand, should these silver coins be found unpopular, the operations can be stopped for a time, and the loss so sustained will be slight, and will be borne by the province of Kuangtung without resorting to the Imperial Exchequer. At the expiration of one year, should the experimental operations in Kuangtung prove successful, a detailed account of all expenses and profits shall be submitted to the Throne, and in turn communicated to the different boards. And then His Majesty shall direct the Board of Revenue to give their attention to this affair, and purchase the required machinery for the establishment of a mint in Tientsin, which will supply the different open ports with this new national coin. At the same time the mint at Kuangtung shall be allowed to continue its operations, and the number of dollars to be issued by them every year shall be determined by the Board of Revenue; and should any profits be made, it shall go toward defraying the losses sustained in cash coinage. It is estimated that if the Board of Revenue should purchase machinery capable of striking off 100,000 dollars a day, in the course of a year 30,000,000 dollars, but allowing for a far less number, that is, 10,000,000 dollars per year, in a very few years our country will be amply supplied with our own

For see under page over 1st column 7

Wm Williams

DEPARTMENT OF STATE
OCT 6 1887
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Rec'd Oct. 11 1887 Cust Ho

No. 442.

Legation of the United States.

Peking August 17th 1887.

Mr. Denby to the

Secretary of State.

Reports of Consuls returned by Dept. 10: 89 & 29: 36: 110 still short & should be sent by first mail. Cust Dept

Subject.

Certain Consular Reports missing from Legation Library. Requests that they be replaced.

No. 442.

Legation of the United States.

Peking August 17th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I have the honor to inform you that the Consular Reports in the library of this Legation do not comprise the complete series. As these reports contain so much interesting matter which is of great assistance to this Legation, it is very desirable that there should be a full set of them accessible

accessible.

The following numbers are missing:

1 to 41, inclusive,

48 " 57 " "

and No 68.

In case the Department should have extra copies of the above numbers disposable I beg that you will have them forwarded to this Legation.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

J

acker-Oct 13. ✓
Copy to Treasury ✓
Oct. 13.
Oct 16.
H.R. 1887.

DEPARTMENT OF STATE
OCT 10 1887
RECEIVED

Enclosure
One enclosure

No 443. LEGATION OF THE UNITED STATES

See Mr D's No. 462

Peking, August 26th 1887

Mr. Charles Denby
to the
Secretary of State.

Subject

Appointment of Chinese
Officials to travel abroad.

No 443. One enclosure.

Legation of the United States
Peking, August 26th, 1887.

Honorable Thomas F Bayard
Secretary of State
Washington.

Sir:

Referring to my despatch No 408, of date the 16th of July, ultimo, wherein I forwarded to the Department a list of the official candidates who had been declared eligible for appointment to travel abroad for the period of two years, under the system recently inaugurated by the Chinese Government, I now have the honor to hand you enclosed a list giving the names of those who have been selected by the Emperor

to

to go to foreign countries this year.
I understand that three officers will leave the Capitol in about a month to proceed on their respective journies.
Mr. Tu Yün hung, and Mr. Kin hou kün, as you will observe, have been appointed to travel in Japan, the United States, British Colonial Possessions of North America, and Cuba. These gentlemen are of literary standing; - the former a student of the Imperial Academy and the latter a Metropolitan graduate, or about the same as an LL.D. I have not, as yet, had the pleasure of meeting them, but I understand they are worthy representatives of the official class.
I take the liberty of bespeaking in their behalf a cordial welcome to our Country, and to express

the

the hope that every opportunity will be afforded them, during their sojourn in the United States of seeing all, and being made acquainted with, every branch and phase of American industries.

I have the honor to be,

Sir,

Your Obedient Servant

Charles Denby

Enclosure 1.

List of Chinese officials on above.

Enclosure 1. dispatch 443.

List of Chinese Officials appointed to travel in Foreign Countries under the auspices of the Chinese Government.

Tu Yün Tsung. Expectant Secretary of the Board of War, and

Ku Tsou Kuei, Apprentice second class assistant Secretary of the Board of Punishments;

to travel in Japan, United States, British Colonial Possessions in South America, Peru, Cuba and Brazil.

Lin Chi Tsung. Apprentice second class assistant Secretary of the Board of War,

Li Yung Fei, Expectant second class assistant

assistant Secretary of Board of
Punishments,
Kwong Chas Chuen, Expectant Second
class assistant Secretary of the
Board of Punishments,
and
Chen Lei Tang, apprentice Second
class assistant Secretary
of the Board of Works,
to travel in England, India,
English Colonies in the East,
France, Algeria and other French
possessions.

Li Ping Jui, apprentice Second
class assistant Secretary
of the Board of Ceremonies,
and
Chung Chas Tsu, Expectant Second
class

clan assistant Secretary of Board
of War,
to travel in Germany, Austria,
Holland, Belgium, and Denmark.

Wu Yu Kun, apprentice second
class assistant Secretary of
Board of Revenue,
and
Chin Peng, apprentice second class
assistant Secretary of
Board of Revenue,
to proceed to Russia by Sea, and
after travelling in that country,
to return to China via Siberia.

Kung Hsien, apprentice second class
assistant Secretary of the
Board of Revenue, and
Hsü

Hsü Kung Pei expectant second
class secretary of Board
of Revenue,
to travel in Spain, Portugal,
Italy and Norway and Sweden.

file

DEPARTMENT OF STATE
OCT 10 1887
RECEIVED.

No 444. Mr Everett 10

Legation of the United States.

Peking, September 1st 1887.

Mr. Denby to the

Secretary of State.

Subject.

Collection of Lekin tax by China at Hongkong.

No 444.

Legation of the United States.

Peking, September 1st 1887.

To the Honorable

Thomas F. Bayard,

Secretary of State,

Washington, D. C.

Sir:

I have the honor to acknowledge the receipt of your despatch No. 218, of July 5th last, enclosing a copy of your instruction No. 650 to Mr. Phelps with reference to the collection of Lekin on Kerosene at Kongkong by Chinese officials.

I have the honor to be, Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
NOV 2 1887
RECEIVED

To Mr. Gluvert Nov. 7

No. 445. acted Nov. 7/87 Carter

Legation of the United States.

Peking, September 7th 1887.

Mr. Denby to the

Secretary of State.

Cop. & E. R. 1888

Subject

The Ward Estate Claim.

Synopsis

The Minister reviews the facts and gives his opinion as to the law and recommends that the claim be not presented.

1 One enclosure.

No. 445.

Legation of the United States.

Peking September 7th, 1887.

PRINTED
DIPLOMATIC CORRESPONDENCE
1888

To the Honorable

Thomas F. Bayard,

Secretary of State,

Washington, D.C.

Sir:

In further reply to your despatch No. 207, of date June 14th 1887, I have the honor to report the conclusions that I have reached touching the "Ward Estate Claim" against the Chinese Government and to ask further instructions.

Your despatch enclosed a copy of Mrs. Amidon's petition as

as sole claimant against the Chinese Imperial Government, in the matter entitled the "Ward Estate Claims." (Enclosure No 1); Senate Ex. Doc. 48, 45th Congress, 2nd Session (Enclosure No 2); Senate Report No. 1986, 49th Congress, 2nd Session (Enclosure No 3); a statement of the case, with voluminous exhibits appended, entitled Mr. Blaves to Mr. Bayard, (Enclosure No 4).

In your despatch you state that you explained to Senator Sherman that while the "Ward Estate Claims" were not separately considered in Executive Document No. 48, 45th Congress, yet they were distinct from the two others there presented, namely

namely the "Ward Claims" and
the claim of Charles C. Hill
for the charter of the steamer
"Keorfeor"; that the latter two
have been settled, the former
by the payment of $56.246.56
in February 1883, and the
latter by a receipt from the
Chinese Legation, in accordance
with the Act of Congress approved
March 2nd 1885. You further stated
"that the Ward Estate Claims
"were outstanding and that
"the petition of Mr. Amidon
"correctly represented the facts,
"as the Department understood
"them."

You state further "that, as
"the Chinese Government

steadfastly

"steadfastly denied the
"validity of the claims, all
"efforts to obtain an equitable
"settlement thereof were rendered
"fruitless."

You further call my attention to despatch No 74, of March 3rd 1881, from Mr. Evarts to my predecessor Mr. Angell, in which he endeavored to secure an adjustment of these claims after deducting the sum of taels 42,309, but the result was again unsuccessful. China denied accountability and set off a counter-demand against the Ward Estate.

You direct me to give the whole matter a thorough and careful

careful investigation and to
furnish you my conclusions,
"in connection with the papers
"now sent and the information
"already in the possession of
"your (my) Legation, or such as
"you may be able to obtain
"otherwise, to the end that a
"final and effectual decision
"as to these claims may be
"reached."

You do me the honor to state
that I am at liberty to present
this claim to the Imperial
Government without further
authorization from you. You state
that, if my conclusion should
be favorable, yet, out of abundant
caution, I should prefer to obtain
your

your sanction prior to presenting the claim, I am at liberty to adopt this course.

You further do me the honor to state that it is your "desire to obtain the fullest "possible authoritative "examination of the subject "and to be guided by your "(my) conclusions in the premises "based on the enclosed documents "and whatever information you "may be able to gather from the "Legation's archives and elsewhere "in China touching the validity "of these claims."

A claim coming to me from you presented in so careful, complete and peculiarly considerate

a

a manner demands at my hands, and has to the best of my ability, received, the most thorough consideration.

The rule as laid down in Wharton's International Digest, vol II p. 213, for the determination of the question whether a diplomatic agent will be authorized to present a claim to a foreign government, is that the claim should be tested as a Bill in Chancery would be by a general exception for want of equity. But, under your instructions, I am to consider all the evidence bearing on the case that may be found in the archives of this Legation or "elsewhere in China".

Under

Under this broad delegation of authority I shall present for your consideration a history of this case gathered from all sources. In connection therewith, and as bearing on the solution of the question whether the claim should now be presented by the Government of the United States to the Government of China, I shall call attention to the action of the representatives of our own Government in China on this and the other claims with which this one was involved up to the present time.

History

History of the Ward Estate Claim.

The general facts connected with this claim are historical. They may be briefly stated as follows—

The entry of General F. T. Ward into the military service of the Imperial Government of China, during the Taeping Rebellion, in the winter of 1860-61; his organization of a Corps called the "Ever Victorious Army"; his gallant and meritorious conduct in the field; his being mortally wounded in battle the 21st Sept. 1862; his declaration while his death was imminent that the Taotai

Taotai of Shanghai owed him taels 110,000; the desire of this money by a verbal declaration reduced to writing and attested by two British officers; his death Sept 22nd 1862.

The instrument mentioned is set out at page 5 Senate Et. Doc. No 48 (Enclosure No: 2 in despatch No: 207).

In enclosure No: 4 in your despatch No: 207 the proof as to admissions of Woo that this was a just debt may be summarized as follows.

Albert L. Freeman, in statement No: 21 (Enclosure No: 4) of date April 9th 1864, says "with reference to "the claim of one hundred and

"and ten thousand (10,000)
"taels against Woo (the old Taotai)
"and in favor of the estate of
"the late Gen. Frederick T. Ward,
"I beg leave to say that shortly
"after the death of the General
"and previous to the affairs of
"the estate coming into my
"hands, the claim was admitted
"to be correct to General Burgevine".
But he does not say who made
the admission nor does he state
that he heard it.

He says that "the same
"acknowledgement was made
"repeatedly afterwards to me by
"Paiker, the Government Banker,
"who represented the old Taotai
"as having fully acknowledged
the

"the amount of the claim but
"that a scarcity of money
"prevented it's immediate payment.
"A promise was given that it
"should be paid on the return
"of the old Taotai from Nanking."

Messrs Jenkins and Rodgers,
in a letter dated April 13th 1864,
and addressed to F. G. Ward,
of which a copy is found in
enclosure No: 4, exhibit No: 25, say
"The claim for taels 110.000 due
"the estate of your son, the late
"Genl Ward, was laid before
"Messrs Woo and Paikee when
"they met with us to discuss
"the various claims and they
"admitted the same, but stated
"that they had (or became liable for)

a

"a sum of 30,000 Taels (or Mex.
"$30.000; we are at this moment
"uncertain which) to apply
"against this amount."

By the dying declaration of Genl Ward Admiral Hope and Mr. Burlingame were designated as his executors. They declined to act. With the assent of the creditors, Albert L. Freeman was appointed Administrator. He duly qualified.

Before his appointment the following events had transpired, which are described in the letter of Mr. Seward to Mr. Trumbley, p. 6 Ex. Doc. 48.

Genl Burgevine had succeeded Ward as Commander of the

"Ever

"Ever victorious Army". When Burgevine was dismissed from his command, he declined at first to acknowledge the right of the Taotai Woo to remove him. Afterwards he left the command but retained three steamers. Woo appealed to Mr. Seward to require Burgevine to give up the steamer "Confucius". After consultation with Burgevine, it was arranged that the steamer should be delivered under the terms of an agreement, which is set out at page 9, Ex. Doc. 48. It provided for the payment of all claims which should be awarded by arbitrators, to be appointed one by Seward and

and one by Woo, with provision for an umpire in case of disagreement. Under this agreement the "Confucius" was delivered up and Messrs H. B. Jenkins and J. Kearney Rodgers were appointed arbitrators to hear and adjudicate all the claims against the Chinese Government growing out of the Ward Transactions. One of the first acts of Mr. Freeman, Administrator of the Ward Estate, was to file before these Arbitrators the claim for 110.000 taels.

The award of these Arbitrators appears in the record as Exhibit No 12. It was made at Shanghai March 3rd 1863 and contains

the

the following entry:

	Vails
"Claim 32 Bill 110	110,000,000

"Acct of F. F. Ward."

At page 7, Ex. Doc. 48, Mr. Seward sets out at length the reasons why this award was not enforced.

It is unnecessary for me to copy his language here. Woo absolutely refused to pay any of the awards. Finally, on the 13th day of October 1863, a new agreement of arbitration was made by Seward and Woo. The letter of Seward to Woo filing the terms of this arbitration and Woo's acceptance are set out at page 16 Ex. Doc. 48. I call special attention thereto. Mr. Seward's proposal contains these words

words: "Those claims which
"are declared not just or
"unsupported shall be
"dropped by the Consul and
"never brought forward again."

Now, in his acceptance,
claims that the account of
"Mr. Benson should be reckoned
"in connection with that of
"Genl Ward and the dues on
"account of the former made
"available in settling the accounts
"of the latter. There is no reason
"in our being called on to pay
"money on account of General
"Ward first."

The arbitrators selected
were Edward Cunningham and
Thomas Hanbury.

Mr.

Mr. Seward (p. 4 Ex. Doc. 48) says. "When the second arbitration "xxxx was agreed upon the claim "of the estate was again "submitted. I append hereto the "decision of the arbitrators." (P. 4 & 5 Ex. Doc. 48).

It does not appear by whom the claim was submitted to the arbitrators. Presumably it was done by Mr. Freeman. He was still the administrator of Ward's Estate. Mr. Freeman resigned his trust June 1861.

With reference to the award, (p. 5 Ex. Doc. 48) Mr. Seward says "They found the evidence on "either side as submitted to them "incomplete and insufficient and were

"were unable to reach an award."

It may be mentioned here, also, that this new arbitration and award is throughout this record bitterly attacked by the representatives of Ward's Estate.

It is charged that there were verbal protests against the new arbitration before action by the arbitrators. But the record does not thoroughly sustain this charge.

The decision of the arbitrators was made Dec. 26th 1863. The written protest is dated March 1864, and was not delivered to Mr. Seward until Nov. 14th 1864. At all events Mr. Seward does not appear to have regarded the determination

determination of the arbitrators as final. He seems to have looked on it as a dismissal without prejudice. We find that, after Mr. Freeman's resignation as Administrator, Seward, in virtue of his general consular authority, continued to act as Administrator of the Ward Estate until Mr. Trumbley was appointed.

Woo paid some of the claims allowed (See p. 13 Ex. Doc. 18) and refused to pay the balance.

Seward took steps to procure the report of Henry S. Ward as to the disposition of £40.000 that he had taken to the United States to be used in purchasing ships. But in the

mean

mean time, through the instrumentality of Mr. Burlingame, Ying, a former Taotai at Shanghai, had been appointed to take evidence and report at Peking. Upon meeting Ying, Seward found himself in the same condition that Freeman had been in, unable to account for the use of the £40.000, which had been entrusted to Kenny & Ward. Thus the matter had to rest until the accounts of Kenny Ward could be had. In May 1868, John T. Trowbley was appointed Administrator of Ward's Estate. Kenny Ward's accounts were furnished to Mr. Trowbley. These accounts were laid before

Mr

Woo in June 1868 but he still refused to pay any sum of money.

One of the important questions in this case is to determine what claim if any the Chinese Government had against Genl Ward for moneys advanced during his lifetime.

At page 19 Ex. Doc. 48, Woo gives his statement of this claim. It will be found in the despatch of Prince Kung to Mr. Low, dated Nov. 28th 1870, Prince Kung sets forth at length the account given by Woo of all his transactions with Ward.

I quote one paragraph in full.

"In

"In March 1862, the Commander
"of the forces, Gen.l Ward, having
"received orders from the [acting]
"Governor of the province (Sich Kuan)
"to make an attack on Su-chau,
"Chang-chau and other places,
"wished to procure some foreign
"steamers and various sorts of
"guns and artillery. Yang and
"I, on getting the orders, succeeded
"in raising a loan in various
"places of 270.000 taels, which
"Gen.l Ward received and sent
"to the United States in bills;
"but, after his death, not a ship
"or a gun was ever received in
"Shanghai. Further the amount
"of $46.553, owed for arms and
"ammunition bought in England,

was

"was never sent forward out
"of this sum."

Thus it appears that the charge that Ward had received taels 270,000 from the Chinese Government is here specifically described as money "which "Yen. Ward received and sent "to the United States in bills", to be used for a specific purpose. The record now presented shows exactly how much money was received by Henry G. Ward for that purpose and what he did with it.

The account of Henry G. Ward adjusted by Jacob R. Taylor (exhibit 46) shows a balance of accounts against Henry G.

Ward

Ward of taels 42.309, which the claimant allows as a credit against the amount claimed.

From all the proof it does not appear that Genl Ward received from Woo taels 270.000 for the purpose specified, but that he received only two installments of £20.000 each. There can be no reasonable doubt that this money was accounted for as claimed by Henry G. Ward.

With regard to the claim of taels 34,570 set up by Woo and Taikee to purchase ammunition, it appears from Freeman's statement (Exhibit 21) that of this sum taels 12,000 were

were deposited with Olyphant & Co. to pay for ammunition and was so applied. The items taels 5000 and 17,500 appear to have been received from Taikee by the General and deposited with K. Fogg & Co, in whose accounts they appear to the credit of the General, and, on the debit side of the same account, there are several charges for munitions of war purchased in Shanghai, which would cover the amounts refered to.

The statements made by the claimant, page 5 of her petition, regarding the financial dealings of Genl Ward with the Chinese

Chinese Government I find to be substantially correct.

But the language of Mr. Seward, p. 89 Ex. Doc. 48, should be noted, of date April 30th 1877, which is hereinafter set out totidem verbis. The scope of it is that he had seen a Chinese paper which Woo said was a receipt for taels 270.000 signed by Ward.

The

The action of this Legation as to the "Ward Estate Claim" may be summarized as follows.

May 12th 1864, Mr. Burlingame addressed to Prince Kung a letter giving a full statement of the claim and asking payment. Prince Kung replied that he had authorized Li, Governor of Kiangsu, to investigate the matter (exhibit 26). Mr. Burlingame wrote again, May 30th 1864, to Prince Kung transmitting a statement of the General's father, (exhibit 27). July 27th 1864, Mr. Burlingame again addressed the Foreign Office on the subject. (exhibit not numbered). Aug. 11th 1864, Mr. Burlingame again wrote

wrote to the Foreign Office (Exhibit not numbered). He requests Prince Kung to order Governor Li to examine only the account mentioned in Gen.l Ward's will. Prince Kung replies that Governor Li has been ordered to select an officer to examine the accounts.

Aug. 16.th 1864, Mr. Burlingame addressed Mr. Seward (Exhibit 31) expressing his "unqualified "conclusion that it (the claim) "was just" and describing his action thereon.

Mr. Burlingame left Peking in March 1865 and returned in October 1866. During this interval nothing was done.

He left China in 1867,

having

having made no further effort to adjust the claim.

Mr. Burlingame's successor, Mr. Ross Browne, did not take the case up.

Gov. Low reached China in March 1870. His action in connection with the Ward Claims is fully set out in Doc. 48. In his letter to Mr. Fish (p. 15 Ex. Doc. 48) he says the "'Ward 'Estate Claim' has never been "taken up by me officially."

July 7th 1870 (p. 17 Ex. Doc. 48) he addressed Prince Kung in favor of the payment of the sums awarded by the last arbitrators, Cunningham and Kanburg.

Prince

Prince Kung in reply (p. 18. Ex. Doc. 48) sends a statement of Woo which is important and has already been quoted.

Gov. Low does not appear ever to have presented to the Chinese Government the "Ward Estate Claim".

March 5th 1875 Mr. Fish stated to Mr. Avery that the claim of Fogg & Co was meritorious xxxx and "the arbitrators had made "an award in favor of the "claimants". Mr. Avery was directed to press this claim (Sec. of. 22 Ex. Doc. 48). Nothing appears to have been done by Mr. Avery.

Mr. Seward succeeded Mr. Avery. Under date July 1876 he wrote

to

to Prince Kung. He says "Here
"claims were submitted to
"arbitration at Shanghai and in
"the month of January 1864 the
"arbitrators made their award.
"The award declared certain of
"the claims to be just" (p. 23 Ex. Doc. 4

Lengthy correspondence
follows between Mr. Seward
and the Foreign Office relating
to the claims that were awarded
but not to the "Ward Estate Claims".

In the minute of an interview
of Mr. Seward with the Foreign
Office (p. 57 Ex. Doc. 48) in presenting
the Ward claims, Mr Seward
says "he could not venture to
"adduce proof as to the merits
"of individual claims. They had
all

"all been decided upon in 1864
"by arbitrators duly appointed
"and their award could not
"be opened."

All through this discussion with the Foreign Office, Mr. Seward relies on the award (Ex. Doc. 48 passim but particularly pp. 72, 73, 74, 75).

April 30th 1877 Mr. Seward addressed another note to Prince Kung. At page 88 Ex. Doc. 48 he makes a lengthy argument in favor of the award, setting up strongly its sanctity. On page 89 he uses the following language, "Here is no doubt
"that Gen! Ward received money
"with which to buy steamers
"and munitions of war, neither
is

"is there any doubt that Woo
"held a Chinese paper with a
"stamp upon it which he said
"was Ward's receipt for 270.000
"taels. He did show this paper
"to the arbitrator in my presence
"But he entirely failed to show
"for what purpose this money
"was given to Ward. As it is
"well known that about 120.000
"taels were given for the purchase
"of steamers it was not singular
"that the arbitrators failed to
"rely upon it as evidence that
"270,000 taels were given for the
"purpose."

He goes on to show that a considerable part of the 120.000 taels was spent in England.

He

He alludes to the accounts of Henry G. Ward which had been exhibited to Woo. He claims that the claim of Woo against Ward's Estate or that of Ward's Estate against Woo has nothing to do with the claims of the seventeen merchants.

This whole statement will throw much light on the ments of this case.

Mr. Seward's conduct is approved by the Acting Secretary Seward (p. 92 Ex. Doc. 48).

Under date June 7th 1877 (p. 95 Ex. Doc. 48) Mr. Seward notifies the Department that he has consented that the Ward claims may be refered

to

to the viceroy at Nanking (p. 95 Ex. Doc. 48).

At page 102 Ex. Doc. 48 are set out the instructions of Mr. Seward to Mr. Holcombe, to control him at Nanking in reference to the claims to be presented and pressed. He directs Mr. Holcombe to present for allowance at Nanking the claims set out in his letter to Mr. Wombley, of March 22nd 1872, which is presented at page 6 of Ex. Doc. 48. The "Ward Estate Claim" is not included in this list. It includes only the claims awarded by the arbitrators.

The result of the reference to the viceroy at Nanking is set

set out at page 106 et seq. Ex. Doc. 48. The "Ward Estate Claim" was not set up or presented. Page 120 Ex. Doc. 48, Mr. Seward reports to the Secretary the result of the Nanking reference.

Mr. Coarts, in despatch No. 203, date Nov. 26th 1877, writes to Mr. Seward that Mr. Twombley has been urging "the necessity "of having the Ward Estate Claim "pushed ×××× alleging what "appears to be a plausible reason "for such action, namely, that "should it be omitted from any "settlement now made it will "prove very difficult to secure "for it any future consideration "from the Chinese Yamên". (See p. 136 Ex.

Ex. Doc. 48).

Mr. Seward is directed to give this matter consideration.

In despatch No 399 of Feb 7th 1878, Mr. Seward replies to Mr. Evarts despatch No 203. He states that he has not taken up the Ward claim for the reason "that the transactions out of which "it originated may be considered "perhaps to have been of a private "nature and to involve the "responsibility of the xxx Chinese "officials Woo Taotai, rather than "the Chinese Government."

He intimates that the evidence is not conclusive. He prognosticates failure, which he says would produce bad

results

results, etc.

In despatch No. 172, of date June 18th 1881, Mr. Angell reports his action on the "Ward Estate Claim". By Department's despatch No. 711 dated March 2nd 1881, he had been directed to present it again to the Chinese Government. The despatch informed him that the Heir proposed to deduct 42,309 taels from the amount claimed. He was to demand 67,691 taels with interest from March 3rd 1863, being the date of the first arbitration. He says "I made a thorough examination "of the voluminous papers in "our archives on the subject. "I see from that examination

Explains 379,000 Deduct 42,000 Taels

Mr. A. Statement as to withdrawal of Claim.

"so impressed with the weakness
"of the claim as it was left
"by former negotiations that,
"had the Department's instruction
"left any room for me to act
"according to my own judgement,
"I should not have presented it."
He further considered that if
any better showing could be
made it might be well to present
it and prevent it's lapsing by
neglect. He gives a history of the
claim and concludes that no
very strong argument can be
based on the fact that the first
commission sustained the claim.
He assumes from Mr. Seward's
statement, p. 4 Ex. Doc. 43, that
Henry G. Ward's account had
been

been rendered. But he says that it seems from Prince Kung's reply that the Chinese had not seen it.

Mr. Angell encloses in this despatch his despatch to the Foreign Office and their answer.

In Prince Kung's reply you will notice the very ingenious manner in which Woo's admissions are avoided. Ward demanded 20,000 taels for each of five cities captured and when Ching was recaptured he asked for 10.000 more. Woo said "wait "until we have a succession of "military successes and we "will abundantly recommend "your services."

Asks for 110,000 taels



And

And this Prince Kungaves is all the foundation of the "Ward Estate Claim".

The Prince argues with great strength that Ward expressed a hope "and not a "recognized obligation".

He goes over the whole case. His paper should be read in order to understand thoroughly the Chinese position on this claim. He states strongly that when Mr. Seward "was promoted "Minister, in his frequent "consultations with this office "on the Ward and Heer Jeor "Claims, he never refered to the "Ward Estate Claim as one that "needed to be settled separately."

Dunning

During Mr. Angell's time nothing was done with this claim.

In Mr. Angell's despatch No. 202, of date Aug. 18th 1881, he recites another effort to secure the payment of the Hill and Ward claims but it had no reference to the "Ward Estate Claim."

In Legation archives Vol 34, Consulate Records, Shanghai, Seward, 1861-1863, appear a statement of the "Ward Estate Claim" prepared by Frederick F. Ward which is very full and complete. This statement accompanied the petition of F. F. Ward to the Chinese Government.

it effectually disposes of the statement that the Chinese Government did not have before it the accounts of Henry Ward relating to the purchase of steamers in New York. The account presented, as set out at page 757 of this volume is literally copied by me.

"Taotai Woo to General Ward's Estate
1862.

"Sept 22nd To amt due at Genl Ward's death
"admitted by Woo and which he promised
"to pay Hc, 110,000
"To interest from date to June 21st
"1864, 23,175
"To amt due K. Fogg & Co. for supplies
"furnished to the army about 20,000
"To interest to June 21/64 21 Mo. @ 12% 4.200
Taels 157.375.

Cr.

list of claims against the Chinese Government allowed by Rodgers and Jenkins; letter of said arbitrators to Seward announcing their finding; letter of Jenkins & Rodgers to F. Ward, Apl. 13th 1864, containing statement of Ward's admissions; Major Cook's affidavit; Trumbley's affidavit; instructions of Tsungli Yamên to Ying; protest of Frederick G. Ward against the action of Kanburg and Cunningham, not dated, but showing on its face that it was after the award; letter of Henry G. Ward to Frederick G. Ward, May 21st 1864; letter from same to same, same date; petition of Frederick G. Ward to the

Chinese

Cr.

1863
" By nett proceeds of sale of Steamers
" in the U.S. $90,170 43/100 Am. currency
"Exchange 150% Taels 41,621,28
" Int. to June 1864, 10 mo @ 12% 4.161.00

45.782

Taels. 111,592

Then follows a statement of the claim against Taikee. Attached to this statement are the following papers; Admiral Hope to F. T. Ward, June 25th 1864; Freeman to Hope; a copy of the Generals will; memo. of the General's cash account down to June 7th 1864; memo. of disbursements of Ward while in command of the Chinese Imperial forces; Accounts of W.K. Fogg & Co; Taikee's account; Freeman's letter to Seward of April 8th 1864;

List

Chinese Government going over the whole case.

The action of my immediate predecessor with regard to the Ward claims is fully reported in No 167, Mr. Young to Mr. Frelinghuysen of date March 22nd 1883.

Mr. Young had succeeded in having the Ward Claims and the Kill claim referred to the Viceroy Li Hung Chang at Tientsin.

In despatch 102, of date Jan. 13th 1883, Mr. Young gives a copy of his confidential instructions to Mr. Holcombe. It will be seen that no allusion was made to the "Ward Estate Claim."

Mr. Young reports the settlement reached

reached by Mr. Holcombe and the payment by the Viceroy of $52,246,56/100. He says "this payment "is a settlement in full of what "are known as the "Ward claims", "principal and interest at nine "per cent." The Hill claim was not settled but the record shows that Hill did not waive, nor did the Minister, any of his rights. Mr. Young says he was anxious to settle these claims because "the existence of the "controversy was an embarrassment "in our relations with China."

In his report to Mr. Young of his acts at Tientsin, Mr. Holcomb says, "I first acknowledged "receipt in full, principal and interest

"interest of all demands of citizens
"of the United States on account
"of the so-called 'Ward Claims.'"

He further says, "Both of these
"last named officials (the Viceroys
"at Nanking and Tientsin) argued
"against the abstract validity of
"the claims, but proposed payment
"on the ground of the arbitrators
"award and their friendly feeling
"toward the United States."

It is to be noticed as
Mr. Holcombe explains, that the
Frèl claim was rejected by the
last arbitrators simply because
it was not covered by the articles
of arbitration, not being against
Woo Taotai. Woo Taotai was in no
wise responsible for the Frèl claim.

It was, therefore, not considered by the arbitrators. Mr. Holcombe claims also that the second arbitration was a mistake. But the fact that the Ford claim had been submitted to the arbitrators was forcibly used by the Treasury. "It maintained that his action "was beyond question, that he "paid the Ward claims because "the arbitrators declared they were "justly due and refused to pay "the Keorfoor claim because the "same arbitrators said it ought not "to be paid".

Still Mr. Holcombe thinks that the fact of there being a surplus in our hands of the "Chinese Indemnity Fund" operated strongly

strongly on the mind of Li in refusing to pay the Well claim.

In the memorandum of Mr. Wolcombe it will be seen that he bases his claim for payment distinctly and solely on the award. Thus, "as the arbitrators "decided that these claims should "be paid in February 1864 without "interest none is claimed on them "prior to March 1st 1864."

The receipt given by Wolcombe to Li is set out as enclosure 17 to Mr. Young's despatch 167. It contains this language, "Received xxx the sum of xxx in "full and final payment of "all demands against the "Government of China held by

certain

"certain citizens of the United
"States and commonly known as
"the 'Ward Claims", the aforesaid
"amount being composed of an
"unpaid balance of an award in
"arbitration made by Messrs Edward
"Cunningham and Thomas Hanbury
"upon the 18th of January A.D.
"1864 xxx".

Of date Feb. 22nd 1883 (Enclosure 18 No 167) Holcombe writes to Li that he has received his communication stating that "you "are prepared to pay in full, "principal and interest, the balance "of the same declared to be due "and owing in the 'Ward Claims" "by the arbitrators Messrs Cunningham "and Hanbury".

Enclosure

Enclosure 2 in despatch No. 167 is a letter of Mr. Young to Li Hung Chang, of date March 10th 1883, in which he thanks His Excellency for the "prompt and "handsome manner in which he "disposed of that long standing "question", etc, etc.

It does not appear that anything has been done in the "Ward Estate Claim" since 1881.

The only other matter of any interest to be found in the archives is Mr. Young's letter to Mr. Twombley of date Nov. 26th 1883.

I quote the following, "The "Department of State simply "acknowledged the despatch of

Encl. 2 in Mr. A. disapproval.

Mr.

"Mr. Angell, in which he expressed
"a strong disapproval of the validity
"of the claim (the Ward Estate Claim)
"Nor, so far as I can discover,
"has there been any instruction
"or suggestion from the Department
"directing the Legation to pursue
"the claim. The only conclusion
"I can form is that the Department
"accepts the judgement of my
"predecessors and has not deemed
"it wise to continue the discussion."

He says further, "I do not
"find in the archives that you
"or any one concerned in the
Ward claims showed the least
"interest in an affair which
"belonged to you and your
"cobeneficiaries alone."

For

For fear that it may be imagined that I have overlooked it I abstract what is stated in the record about the "salt monopoly". In an affidavit made by K. N. Twombley August 16th 1863, he says that Genl Ward told him on several occasions that he had interest in the Government Salt Monopoly, that said interest was in the hands of Taikee of Shanghai, that the value of the same was 100,000 taels (Exhibit 22).

Kenny L. Ward, in an affidavit made August 18th 1863, says that his brother, Genl Frederick T. Ward, frequently said that he was the owner to the extent of 100,000 taels in the Government Salt Monopoly and

and that he purchased the same through Taikee and said also that he had deposited with Taikee a further sum of "say fifty thousand taels to be "similarly invested." (Exhibit 22)

Remarks and Conclusions.

This claim rests primarily upon the declaration of General Ward "The Taotai of Shanghai owes me "110 000 taels."

For obvious reasons I do not regard this statement as furnishing a cause of action either against Ward or the Imperial Government. Tested by the rules of evidence the statement of a decedent is not admissible in an action by the Administrator. Tested by the circumstances surrounding Ward and by the proven fact that Taikee did not owe him anything, the declaration cannot be taken as accurate.

No

No paper, account or voucher has ever been found, which furnishes a basis for this claim. I do not see that the claim, which is based on hearsay, that Genl Ward had invested taels 100,000, or 150,000, in a Salt Monopoly, has any connection with the alleged debt. Besides an accurate examination of his accounts has failed to bring to light the least foundation for this claim. The case rests nowhere except on the alleged admissions of Woo. Admissions are the weakest species of proof if uncorroborated by facts. The debt being characterized as Woo's debt and the admissions being general and unexplained,

it

it is questionable whether they
bind the Chinese Government.

I append hereto as enclosure
1 a copy in full of a letter
of Mr. George F. Seward to Mr.
Burlingame, of date September 8th
1864, which is found in Legation
Archives Vol. 31 Consulate Records,
Shanghai, Seward, p. 897 et seq.
I make it a part of this despatch
because it is not likely that
there is a copy thereof in the
Archives of the State Department.
This a complete history of the
"Ward Estate Claim" given by a
person who was better acquainted
with all the facts than any
other person, and who, by his
nationality and his official

position

position, must be regarded as
friendly to the claimant.
He speaks of the admission
of Woo as "supposed admission".
He explains the peculiarity of the
Chinese in stating mutual
accounts. He shows the utter
impossibility that Gen! Ward,
in two and a half years, during
the whole of which time he was
engaged in fighting, could have
amassed the half million of dollars
claimed by his estate after his
death. He dwells on the fact
that there were arrears due to
numerous merchants. He shows
how the claim throughout is
based on heasay statements.
But his letter must be read
in

in full. to get a correct understanding of it and it is needless to attempt to furnish an abstract of it.

It is not for me to decide whether or not it was a mistake to set aside the first award. Certainly it was unfortunate for the claimants. If the first award had stood the allowance to the Estate might possibly have been collected. You got the benefit of two elements of consideration for his agreement to submit to arbitration; the surrender of the steamer "Confucius" and the departure of Burgevine.

But he refused to be bound by the first award. He refused just as strenuously to be bound by

by the second award.

Consul General Seward and Voss on the 13th day of October 1863 entered into new Articles of Arbitration. The new arbitrators were two of the foremost business men in China. They found "that the only safe conclusion "is that neither party substantiates "a claim on the other and that "matters should be allowed to "remain as they stand the claims "offsetting each other."

This is undoubtedly a good award. In his letter to Trombley (p. 8. Ex. Doc 48) Mr. Seward says, "This agreement superseded the "former one and henceforward I "could claim under it only."

Whether

Whether Mr. Seward had the power to agree to a new arbitration or not is not very important. His powers as Consul over decedents' estates were considerable. But no formal protest was made against his action until long after the event. The "Ward Estate Claim" was submitted to the arbitrators presumably by the Administrator. It is too late to object to the jurisdiction. If Woo had promptly accepted the award and abided by it, the "Ward Estate Claim" would have been forever adjudicated.

But Woo repudiated a large part of the award and paid such debts only as he thought just irrespective of the award.

It

It was competent, therefore, for the Ward Estate also to repudiate the award.

No insuperable bar to the prosecution of the claim by the Department of State arose until 1883 when the money due on the award was paid by China. If it be conceded that the original claim is not substantiated by sufficient proof to warrant its being again presented to China, which is clearly my opinion, the question of the validity of the alleged counter-claim becomes immaterial. But I think it best to give my views thereon.

The claim of the debt from Ward to the Chinese Government rests

rests on the declaration of Woo, and the exhibition of a paper in Chinese purporting to be a receipt from Ward for taels 270,000. No copy or translation of this paper was preserved. We know little about it. But Woo says that the money so received "was sent to the United States "in bills". If this be true it was honestly accounted for. There is no doubt, I think, that H. G. Ward's accounts, as rendered, are accurate and honest.

The following circumstances all sustain this view; the contract made for ships, the inability to complete it for want of money, the demand for more money, the

failure

failure to get it, the sale of the ships. By these accounts it is shown that the Estate received and retains Taels 42,309 of money furnished by Woo.

But as China denied the validity of the original claim it did not matter that Henry S. Ward's transactions were explained. It must be noted that Woo saw these accounts in 1868.

The Chinese contend that as the Estate has received Tails 42,309 and the Imperial Government has awarded divers posthumous honors to the General nothing more is due. Whether the national debt of gratitude has been discharged hardly enters into the elements

of

of consideration on this occasion. It is not to be presumed that the Government of the United States will make sentiment a basis of a claim against another nation. But in an official point of view, taking our relations and past dealings with China into account, it seems to me that, even if this claim were strong and not weak as it is undoubtedly is, it would not comport with our dignity, and hardly with fair dealing, to take it up again.

A review, as set out, of the facts will sustain this opinion.

My predecessors, except Mr. Burlingame, have relied exclusively upon

upon the last award.

Since Mr. Coarts wrote to Mr. Angell to present the "Ward Estate Claim" six years have elapsed. The "Ward Claims" were then unpaid. At that time China still refused to be bound by the award, and, for that reason, it was permissible to push the "Ward Estate Claim" irrespective of the award.

But in 1883 China acknowledged not the justice of the award, but its binding effect and paid the sums awarded with interest at nine per cent from the time fixed for payment. This not equitable for one nation in dealing with another to dispute the validity

of

of an award after it has received the fruits of other parts thereof. It is like blowing hot and cold as the lawyers say. The whole conduct of the negotiations at Tientsin and the final receipt for money paid on the award constitute a strong ratification of the last award. The repayment to China of the residue of the "Canton Indemnity Fund" after deducting without any recognition of this claim, Kills claim, constitutes another link in the chain of events which operate against the proposition to reopen this claim.

I do not undertake to define

define the distinction between presenting a claim officially and unofficially. The recognized medium of communication between the Imperial Government and the outer world, under the treaties, is the Diplomatic Agent. If he specifies that he acts unofficially little or no attention will be paid to him by the Imperial Government.

The claim, in my opinion, does not rest on a basis sufficient to warrant its presentation in any form.

It is just to the memory of General Ward to say that I have reached the conclusions above set out without any process

of

of reasoning which casts any shadow of obloquy on this remarkable man.

That he believed in the justice of his claim, that some moral foundation excited for it in the statement of Wm that when they had had a succession of military successes "we will abundantly recommend "your services", that if he had lived he would have been rewarded in a great degree, that if he had a legal claim there was no sufficient offset against it are facts that may be deduced from the record:

Desiring simply and without any pride of opinion

To

to present all the aspects of the case, I concede that there are inconsistencies in Wood's conduct and declarations hard to reconcile. At one time he claims as due him 30,000 taels or dollars at another taels 270.000.

If the original case were firm and strong I would have no difficulty in coming to a different conclusion. But, unfortunately, there is no basis for it except the alleged admission of this inconsistent witness.

While, therefore, there and other considerations, which will occur to you, remove from the case all reproach against those persons

persons who have from time to time prosecuted this case and from the present petitioner there are not in my view sufficient grounds for the renewal of this claim.

Lest you should think that this case should have been argued more in extenso by me, I beg leave to state that I have intentionally avoided making a legal argument. I am sure that your own judgement and learning will supply reasoning, legal or otherwise, better than I can make. I am sure also that you will give to all the suggestions made full consideration. I have only

only to state in conclusion that in the discharge of the duties of my position my sole desire is to execute your directions and that they will be most cheerfully and implicitly obeyed.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby
Jun. Secy of L.

Enclosure.

1. George F. Seward, Consul-General, to Mr. Burlingame, Sept 8th 1864.

Enclosure 1 in No. 445.

Shanghai September 8th, 1884.

My dear W. Burlingame.

Your semi-official open letter dated 16th ultimo, was handed me by W. Ward on the 5th instant. As the matter is important I hasten to reply.

The general intent of the letter troubles me somewhat since it is in fact an Expression of your disapproval of the manner in which I have handled the Ward Estate.

Without entering at once into the question of the feasibility of the course determined upon by you, I propose to recapitulate in the briefest manner the incidents of General Ward's sojourn in China and of the management of the Estate.

General Ward arrived in Shanghai

at

as officer of the ship Matilda on or about the 20th of April 1860. His previous history had been an erratic one and embraced experience upon the ocean and in those schools of adventure Texas and Nicaragua. He soon found employment in taking charge of a body of 20 or 30 Manilla Indians then being organized by Gough a sort of Commodore of the Chinese fleet.

Ward found favor with the Taotai Woo, a man of acute mind and large experience, and with Takee, a merchant who had amassed by various means a large fortune. The Manilla force grew into a large body of foreign vagabonds who under the influence of Wards dash and of

his

his storming advanced some
succeeded, but they were too expensive
and too unreliable as a force.
Ward sorted out the better men and
with these as officers organized the
body of natives who have come
become famous as Ward's "Ever
Victorious Army"
Ward then achieved a series of
victories which promised to stem the
current of the rebellion. He fought
indomitably, alike indifferent to the
dangers of the field and of the climate.
We all remember that in the
terrible summer of 1862, he was
as active as if fighting under
the bracing atmosphere of a
purer climate.
Finally the last scene was enacted
near

near Ningpo on the 21st of September 1862, Kr fell while directing an attack upon Fikwo a strongly walled city.

For more than 24 hours he lingered in much pain. Kr was still clear in mind to far as one can judge. By his request a few words were taken down as follows:—

"The Taotai of Shanghai owes me 110.000 taels. The Fukee also owes me Taels 30.000. A total of Taels 140.000.

I wish my wife to have Tael 50.000 and all that remains to be between my brother and sisters.

I wish Admiral Sir James Hope and Mr. Burlingame to be my Executors"

Mrs

When the Messenger Captain
Bodasr announced to me the
death of General Ward you had
already proceeded to Peking.
Admiral Kope was also absent.
The dying words I knew of only
by report. Such precautions, however,
were taken as prudence dictated.
By my direction the effects of
the deceased were taken in care
and his papers sealed and put
in a place of safety.
Subsequently, perhaps 15 days,
Admiral Kope arrived. He took
some action in the Estate, among
other things giving to Takee the
possession of two steamers.
The "Martin White", a tug and the
"Fah wah", a river steamer then

ready

nearly finished, in both of which Ward was known to be interested. Admiral Hope seems not to have doubted that Jahn was also interested in them.

In a short time, Admiral Hope who was about to leave China, handed me an open letter for W. Cunningham then absent, which contained a request that he should act for him in the Estate. A copy of the statement made by Ward when dying was enclosed and mention made of the fact that he (Hope) had recommended to yourself that in your absence I should be empowered to act for you.

Form Power of Attorney came

in

in due time, Mr. Cunningham
in the meantime taking such
steps in the custody of the property
as was thought advisable.
At this point a difficulty arose.
As Judge in the Probate I did not
feel that I could well act also
as Executor in an Estate in which
many points of dispute were sure
to arise. Neither could I recognize
that either Mr. Cunningham or
myself received any very definite
authority under the Power of
Attorney.
After consultation with Mr.
Cunningham, who was little
disposed to act in the Estate
at all, I called a meeting of
those concerned. Mr. Cunningham
opened

opened to them the circumstances
of the case and advised the
nomination of an Administrator.
Mr. Freeman's name was
proposed and accepted by
all. I accordingly issued
to him the necessary authority.
Some time elapsed in this way.
Then occurred the Rungroving
intrigue. Woo and Takee were
pressed for the money due the
Estate, as named by Ward and
assented that the amounts
were correct, but [redacted] found
Woo that there were counter-
claims to an large amount.
Takee that he had paid for the
whole of the tug "Martin White",
and that as the vessel was

joint

joint property, one half of the in
purchase money should be deducted.
When Pungwoine was removed
the affairs of the Ever Victorious
force were in a bad condition.
Money was due on this account
to a large amount. The claims
came in to me and I thought
it my duty to assist in clearing
the business up. Woo was
degraded, but after Chinese custom,
was directed to settle the outstanding
accounts. It was at this time
of confusion that the administrator
with my assistance secured possession
from Pungwoine of the two steamers.
Baker was only too glad to get
them from the latter by any
means in his power.

I

I may say here that at Shanghai the collection of debts from Chinese has taken the form of diplomatic representation. I knew by experience that it would be better to determine with Woo, if possible, the exact amounts due the claimants and them in case payment was withheld representation might be made in the proper quarter.

By written agreement with Woo, Messrs Jenkins and Rodgers were determined upon as arbitrators to decide which claims were due and owing. Accounts were handed in by people of all nationalities to an extent of about $350.000. The claims against

against Woo of Tals 110.000, was
also put in by the Administrators
in Wards Estate.

The Arbitrators were engaged
six weeks. Woo was furnished
with abstract of accounts and
asked to enter his objections. He
did not come forward and
finally waived with the delay
the arbitrators brought in their
report. The claims were passed
almost without an exception.
Upon the award I asked payment.
Woo insisted that the arbitrators
had not done their work that
it was not just to hold that
they had. I asked him reasons
for saying this, but could get
nothing satisfactory from him.

I

I accordingly handed the papers
to yourself asking you to interfere
to secure payment.
At that time Bingovine was
at Peking. You had secured
a promise for his reinstatement.
Unwilling to injure Woo of whom
you had a favorable opinion, You
said to me, It will be better to
go back to Shanghai and tell
Woo how the affair of Bingovine
has terminated. He will then see
that the best thing he can do
will be to pay up and avoid
further trouble.
Bingovine came to Shanghai.
The instructions from Peking were
different from those we expected
had been sent, or else, the local
authorities

authorities considered that the
conjuncture was one that called
for peculiar action. They refused
to notice Burgoine and thus
the lesson which Woo learned
was quite of a different sort from
the one m had expected to profit by.
But Woo gradually came forward
with his objections to the Award. I
considered them carefully and
finally determined that I should
be doing an unnecessary act and
one which I could not defend to
myself should I insist longer.
I then set to work to collect evidence
in regard to the claims and to
sift them by personal commun-
ication with the claimants and
with Woo. The result was that
many

many claims were entirely ruled out, and on the other hand that Woo assumed many which he had denied affirt. He would not, however, pay over the amounts allowed until I should assure him that I would also collect in his favor from Bingwine and from Bingwine's Quartermaster Benson, whom he considered defaulters. In all this time the matters of the Ward Estate were being discussed.
Finally perceiving that it was useless to proceed in this manner longer, unwilling to trouble you with a matter with which from my information I was more

Competent

competent to deal, omitting also to undertake to reclaim through the Chinese officials with whom there was little chance of accomplishing anything except in the wrong direction, I agreed upon a second arbitration in which Mr. Cunningham was named by me, and Mr. Kenbury by the Taotai.

Three matters were to be laid before them under their submission. The general unpaid claims, the claims of the Estate, and the counter claims against Benson, Burgevine had at this time joined the insurgents. The Taotai agreed to pay whatever the award should call for.

I

I agreed not to press again my claims, which they showed rule-out and also to do what I could to collect from Benson in case he was adjudged to be a defaulter.

The arbitrators went into the general claims very carefully. The ground to be gone over in regard to these was precisely quite the same to an extent as that to be gone over in dealing with the matter of the Estate. It is obvious that the relations between Doe and Ward were to be examined most carefully in numerous cases where the decisions would simply effect transfer of debt from the

one

one to the other.

The decision was at last rendered. The award on general claims cut down the amount from Ray $500.000. to Ray $ 61.000. In the matter of the Estate there was declared to be not evidence enough to enable the arbitrators to decide either way. The charges against Benson were declared unproven.

Woo upon this award paid up an amount of about 60 per cent of the award. For various reasons I have not as yet urged the payment of the balance.

You will now remember that in May I was at Peking.

Yuy

my visit was short and occupied with a great variety of business. The matters of the Estate were however tackled over at some length. Knowing that Mr. Ward was at the moment en route for the Capital (my opinion was that the Estate would be better off to let the matter stand thus keeping what they had) I naturally endeavoured to tell my story in a manner which would show you when he should arrive that I had not based my opinion upon any one-sided consideration of facts. You seemed completely satisfied and even asked whether

whether Mr. Ward could not
in some way be turned
back.

I returned to Shanghai and
anxious to close up the Estate
with a view to be ready at any
moment to return to the United
States, I endeavored to secure
an (adjustment) adjudication
upon the still unattempted
accounts of Taker and the
Estate. I wrote to Taker re-
commending that as he
claimed from the Estate he
should come into Court.
Without hesitation he appointed
Mr. Jenkins to act for him -
a regularly drawn petition
was entered. A prosecutor

chosen

chosen and the matter duly
brought in for a hearing.
at this point the Solicitor
for the Estate declared that
the Estate had counterclaimed,
and asked that a bond
should be required from
Yates to abide the adjudication
about to be made. Yates
consented to give a bond
to an amount of Fcds
30.000. with a foreign surety,
but preferred to submit the
matter to an arbitration.
Orr was naturally suspicious of
me for requesting him to come
into my Court and for the
insisting upon a bond.
Orr would doubtlessly have
refused

refused the bond had I not
consented to the arbitration.
The administrator would not
make himself a party to the
submission. It signed
and I thus became official
administrator, executed the
necessary documents. The
arbitrators were Messrs Cs
Lourenco and Keyes. They
showed their fairness in the
outset by agreeing upon Wm
Dixwell, - than whom no man
in China is more respected -
as umpire.
You have already seen my
argument on behalf of the
Estate. Indeed you have perhaps
been induced by it to take
more

more strongly the ground you
now occupy in this matter.
I append a copy of the agreement
only remarking that I was
acting at the time not as Judge
but advocate.
During this time Mr. Ward
was still at Peking. You were
fully informed of the arbitration.
I missed no word of dissent
from my action from either.
The award was finally entered
a few days ago. Since this, Mr.
Ward has arrived and the
whole matter rests again
afloat.
You will thus see the general
bearings of my action. I will
now dwell briefly upon the
contents

contents of your letter and
the remarks which will follow
will indicate my position.
The substance of your letter
is that yourself and Sr William
have carefully examined the
evidence brought forward by
Mr Ward and have come to
the unqualified conclusion
that the dying statements
of the deceased should be
accepted as definite and
final. You have represented
to the Government who you
say have issued orders that
the accounts in relation to
certain sums of money sent
to Newyork through General
Ward for the purchase of

the

the steamers alone should
be deducted. You direct
me to forward the audit
and to collect from Woo
the amount of the differnce
between the amount so audited
and the Taels 110.000. From
Takee I presume I am
also directed to collect the
Tael 30.000. Nothing is said
of the very important matters
lately at issue between Takee
and the Estate in regard
to the two steamers "Martin
White" and "Tahwah".
It thus seems that the claims
of the Estate are in your opinion
so clear that no agreement can
be entertained. Upon the
point

point I find myself reluctantly but irreconcilably at issue with you. If it were a simple matter of judgment, I should not take up valuable time in argument or hesitate to carry out your wishes. The case stands however that I am in possession of facts which have not come before you and which it seems to me proper that you should know before final action is taken.

In the first place it is stated in your letter that your position was "That the dying words of "General Ward and the admission "of Woo and Takee to various "reputable parties and before

"a

"a legal commission, assented
"to by both sides constituted
"sufficient evidence of the
"justice of the claim and
"that the award of the com:
"mission after a months sitting
"was an adjudication of the same"

The dying words of Ward have
been given. I believe that they
may be satisfactorily explained
consistently with the actual
facts of the case. I doubt
much however whether in
a Court of law, if unexplained
they would stand against
evidence produced.

Now either these dying words
are all in all or else they are
little. If seriously invalidated

in

in one point they can hardly
stand in another.
They are so invalidated in
the case of Takes. Two arbitra
Mr. Hayes on my part, a perso
very favorable to the Estate,
a man of acuteness and the
strictest principles, and Mr.
Lowrie on the part of Take
a person of vast business acqua
tance, whose success speaks
strongly as to his capacity,
have gone very carefully into
the matters pending, and the
offer their report without dis-
agreement. The accounts are
still to be made up. The
decision however, offers
the explanation of the
dying

dying words of Ward and
yet finds that the Tach 30.000.
have vanished into the air.
The next step in your position
is connected in my argument
on the first. You say "the
admission of Woo and Takee
M, M, constituted sufficient evidence
of the justice of the claims. You
do not say what these admissions
are, but infer from your position
that your belief is that Woo
and Takee acknowledged
without reservation the full
indebtedness as stated by Ward.
Of the admission which Woo
did make I will speak afterward.
That of Takee as given by Mr.
Forman, the only witness,

who

who has made any statement within my knowledge is that when he asked Baker whether the amount due Ward was the same as the sum mentioned by the latter, Baker answered. "Yes, I owe 30.000 Dacks, but I paid for the whole of the "Martin White." The boat was jointly purchased and the one half must be deducted from the share of Ward."

Mr. Freeman is a witness decidedly uncompromising in favor of the Estate. The conversation was had soon after the death of General Ward. Just now the arbitrators have examined the whole

evidence

evidence and they decide from proofs drawn from many quarters that Takee had paid as represented by him in the outset.

As to the whole train of facts leading the arbitrators to their conclusion, I refer you to Mr. Kays statement enclosed. Mr. Linwell, who has examined the matter to an extent, entirely approves of their judgment.

The facts seem, which Ward agreed to, as is reasonably put by Mr. Kays, could only be the deposit with the Foong Tai Bank, made through Takee. I cannot but agree

with

with him in saying, "I think
"it reasonable to suppose that
"he (Ward) wished to call attention
"to this deposit, and thus avoid
"the claiming by Takers of the
whole of the "Martin White".
* General Ward's dying statement
thus has its usefulness, but
it cannot will be taken
as an accurate expression
of the condition of accounts
at the date, this having been
the judgment of all who
have carefully examined
facts on both sides - so far
as Takers matters are concerned,
must lead us to hesitate in
regard to the amount
named as due from Woo.

But

But there arises the supposed admission of Woo of the amount so claimed. I do not know what evidence you have on the point. I enclose however the statement of Messrs Jenkins and Rodgers who declare that Woo did not assent to them at least as represented. We on the contrary admitting the general sum, claimed a large counter side.

It may seem peculiar to one not acquainted with the manner in which claims are spoken of by Chinese that Takee and Woo should say "we do owe the sums named" and then make the contradictory statement

"but

"but he owes us so and so."
This however is the chinese peculiarity
^ Thus a merchant would declare
of such a man he owes me
30.000 Taels. I owe him 20.000
Taels; instead of striking the
balance and saying he owes
me 10.000 Taels. I enclose W.
Evans statement on this point.
Now I come to the matter
of the arbitration. I have
already stated why I reopened
the matter. I have also given
a statement of the sums allowed
by the second arbitration. A simple
comparison of the amounts must
indicate to you that my action
was just in setting aside the
old arbitration.

The arbiter which arises in

your

an accurate an award in an
amount of half a million
of dollars involving intricate
questions, all made in less
than six weeks including
time of collection of claims
and making tabulations.
I concluded from a very slight
knowledge even of some of
the arguments and proofs
since brought forward that
I could not conscientiously
insist upon the award as
given by Messrs Jenkins
and Rodgers. It has only
to note the result of the
subsequent investigation made
by Messrs Kanbury and
Cunningham of the Gen'al
claims

your mind is that if Woo
failed to come forward as he
should have done on the original
arbitration he should be compelled
to abide the consequences.
But I must say here again
that we must allow for ~~a~~
Chinese peculiarities. I know
from experience in my own
Court that a Chinaman is
not capable of working his
case up. He will come to you
and vituperate the fact that
"so much is due to him".
It is only by patience and
urging that his proofs can
be adduced. If I am not
correct in this, should we
not still hesitate to waive

as

claims, and the absence of
complaint against their
award except in one instance
to determine that my action
was founded upon those
principles of justice to all
men which I feel proud
to remember has always
characterized your conduct
and which in this instance
cannot but merit your
most unhesitating sanction.
So much may be said
in regard to accounts
against Wm. Turning
to Taker case there is little
to be said. The matters at
issue with him have been
submitted to only one arbitration.

There

There is no irregularity in the
submission. I was official
administrator and as such
had a full right to assent
to the arbitration. Considering
all circumstances it was,
as I think, my duty to do so.
The award was given and
there is no irregularity in it.
Until this is set aside by
judicial action I cannot
go behind it, except upon
the doctrine of might instead
of right. However so far
as I am able to judge, there
is no legal action which
can be taken to overthrow it.
But can we without inconsistency
let the award with Fakes stand

and

and refuse any arbitration
at all to Woo. I consider
the original award as nothing
and so declard. If I
as the one party to it and
Woo as the other to agree
and determine upon a new
investigation can any one
say that the original arbitration
was more than nothing.
If then viewing the matter
abstractly we allow the Taker
award to stand, and we
cannot but do so, we must
at least accord Woo the
privileges of an arbitration.
It comes now to this point:
there has been an arbitration
with Woo - I refer to the
Kanburg -

Kanbury-Cunningham arbitration.
Shall it stand or not?
So far as matters of right go
it may be opened. Woo has
always declared that he wished
it open. I have been of opinion
that it would not be wise to
open it lest the estate should
fare worse. At the same
time I have consented to
allow Woo to neglect payment
in the general award by the
arbitrators, in order that if
developements should warrant
I might be able to declare
that Woo himself had by neglecting
to abide the award, opened the
door for a new arbitration.
It is feasible to open the matter
with

with Woo, and I confess that
it seems to me desirable that
this should be done, I may
not be able to say that the
Estate will gain anything yet
it will be better that a definite
decision may be given in
order that no one may have
reasons for complaint.
If it be opened I will venture
to promise a cordial cooperation
with Mr. Ward in trying to impress
upon the arbitrators those strong
points of evidence which have
gone so far in determining
your action. If however
other evidence is produced
which in a fair view of all
circumstances decides the
arbitrators

arbitrators win an award against the Estate you artainly would be the last to say that injustice had been done.

I now note the remarks made by you as to my position as Executor. You state that I am the legal Executor. Upon this point I would say that no will has been proven, and that consequently there can be no Executor. I am simply administrator. That I am legally clothed with the usual powers of an administrator can hardly be doubted.

But is it wise for me to turn the Estate over to Mr. Ward? Upon this point I must

must also inform you of some facts which have not come befor you.

There is reported to have been a considerable rupture in Mr. Wards family at home. This much is certain that the only person supposed to be interested in the Estate besides Kenny Ward, the sister mentioned in the last words of the deceased refused to give her father the Power of attorney asked for by him. Mr. Freeman tells me that Mr. Ward told him that he had written for this. Doubtlessly the sister refers to her father when she states in a letter, an extract from

which

which is enclosed, that she had been requested to give a Power of Attorney for the settlement of her matters in China, but had refused. Thus of two persons interested one prefers not to place matters in Mr Wards hands. Then again the custody of the steamers not wholly the property of the Estate could not well be turned over to a person who believing himself an heir would only act with them as his own interest might dictate. Again there are several creditors of the Estate in Shanghai who I think would

would not see without distrust
the property present and
prospective of the Estate
turned over to a person
who rightfully or wrongfully
does not hold a very good
reputation, and who by sharp
practice might swindle them
out of what they may now
expect to get.

I have thus gone over inadequately
and hurriedly - suggesting rather
than arguing - the points contained
in your letter. I will dwell a
moment upon circumstances
which bear upon the whole
matter.

Ward, as we have said was in
China only two and a half
years.

years. During this period he was busily occupied in organizing a troublesome force, and in the field. His mind was in his work.

I say his mind was in his work. It could not well be that one so ambitious as he was, so busily engaged and so successful in his operations, could be a simple loot-getter. If it had been so he would have obtained a reputation accordingly.

Now if he was so wrapped up, he would be apt to subordinate other interests to that of his success in the one direction and this is precisely what his dying words indicate. Take, the merchant,

word

owed him, - to put it as he did, -
but Tael 30.000. This amount
on inspection vanishes Except
as a credit item in a transaction
of an Extensive nature. The
only other outstanding credit of
a private nature seem to have
been his interests in the steamers.
The accounts show with these
that he had not disbursed to much
as his co-partner.

But with Woo, - the Government
is to speak, he claimed that
there was a large sum, and
there seems to be reason to believe
that this was the case. Hakanda
then - coupling the above facts
with the well known fact that
the Government was hardly pushed

for

for insane - that Ward advanced to, or failed to draw from the Government certain amounts - He could only have been actuated in this by a desire to help along the main object.

Is it now likely that such a man would accumulate a large fortune in the short while he was at work. If he was liberal enough to advance so largely, would he not be also liberal in many ways in which he could not expect a pecuniary return.

But without this argument, the case as represented by Mr. Ward is essentially absurd. He has claimed as follows:-

From

From Woo	Tael	110.000.
" Takee	"	30.000
"Martin White" (cost)	"	41.000
Fahwah (½cost)	"	50.000
House on Bund	"	30.000
Salt Monopoly	"	100.000
	In Taels	361.000.

or half a million of dollars.

It is to be noted that the evidence about the Salt Monopoly is precisely the same kind of Evidence on which he relies to prove sole-ownership in the "Martin White", by statements made by the deceased to various parties. It is to be noted also that no trace of any possible intent in a salt-monopoly can be procured. If the matter was in so blind a state surely Ward, if there was

nally

really such an amount would
have spoken of it in his last
words.

To a person of General Wards
temperament, his employment
must have been a source of
the keenest pleasure. Does any
one doubt that knowing the
fame which was in store for
him, he would have hesitated
upon entering the field even
had he known that no pecuniary
reward was to be vouchsafed.
But again when could so much
money come from. Cities may
being taken, but they were
also being re-taken. Ward.
had not found it possible
to hold some cities which are

within

within the 50 mile radius. The
fact that everything was largely
in arrears to shopkeepers, to
soldiers, to Ward himself, is
evidence enough that half
a million of dollars could
not so easily have been
accumulated by him.
Yet Ward was in the habit
of talking largely. Perhaps he
deemed it his role to do so.
His large talk, which everyone
who was in Shanghai at
the time of his prosperity knows
of, is however the very thing
which serves to make it
difficult to get at the justice
of the case. A sort of a halo
of the brightest hues surrounds
all

all he did which it is difficult for the Eye to penetrate except when assisted by the smoked glass of judicial examination -

This is so evident from the reports concerning his business transactions with Yates that I must dwell a moment longer at the risk of utterly wearying you.

Perhaps you have yourself heard something of his reported connection with Yates in sick operations - Yates utterly denies that he ever had any such dealings - There is no evidence of any kind to show it. If there had been as with the house and the salt monopoly, there should

have

has been some memoranda
among his papers. There was
nothing of the kind although
many papers were found.
The only thing which indicated
business transactions was
a memo of a settlement
upon a sick shipment of
two or three thousand taels
value made conjointly with
Yakee. (The memo was in
Wards writing. The first letter
was found thus "Y"). Mr
supposed until it was
explained that the name
was Yakee, and thus hoped
to show the arbitrators that
transactions of a mercantile
kind had taken place with

Yakee

Takee Mink in his petition
he had completely ignored.
Of course the attempt failed
utterly.
Going back to Taker's matters
you will notice that the arbitrators
adopt a sale of the steamers.
I do not see how they can
be held under the circumstances.
I propose to have them advertised
as for sale shortly, but not to
consummate the transaction
until I hear from you. The
custody of the steamers is
expensive and I have already
advanced a considerable amount
upon them. Both are laid up.
At this point I shall leave
the matter: all that I have
said

said - and not all of the
available ground has been
gone over - has been meant
to indicate only that we
shall not be dealing with
the things concerned in that
enlightened manner which
will ensure us the greatest
respect if we persist in ignoring
what they have to say. They
may makky give way in the
particular instance, but will
it not effect our opportunity
for general usefulness?

I have now to acknowledge
a letter from you of a later
date - August 22nd, than the
one under reply. I note
with pleasure your remarks
and

and beg to say in view of them that I trust that my foregoing statements will (must) not serve to remove that high consideration which you have heretofore accorded me, and of which your last letter is a most pleading testimonial.

Yours truly

(signed) Geo. F. Seward

Extract from Mr. Mayers
letter to George F. Seward
U.S. Consul General, dated
Shanghai, August 30th,
1864.

"Wards dying statement, that
"Takee owed him Taels 30.000.
" was utterly unsupported and
"taking into consideration a
"random way in which he
"habitually spoke of his means,
"ie. I could not bring myself
"to accept the theory that when
"near his end, and in great
"pain, he was able to make
"up his A/c's in his head
"and strike an accurate balance,
"and think it much more
"likely that he had reference

"to

"to the Taels 30.000. in the Tong
"Tai Bank, before alluded to.
"of this, Taels 20.500. were paid
"for half the "Martin White." - More
"than the balance is charged
"in the bank books as regular
"payments to Wards debit. I
"think it reasonable to suppose
"that he wished to call attention
"to this deposit, and thus avoid
"the claiming by Takes of the
"whole of the "Martin White."

True Copy
(signed) Geo. F. Seward. U.S.C.
Shanghai, Sept 8th 1864

Shanghai, April 13th, 1864.

F. Ward Esquire.

Shanghai,

Dear Sir:—

In answer to your verbal enquiries as to our actions as commissioners appointed to examine into claims against the Chinese Government on account of the Ward Corps we make, as requested, the following statement.

The claim of Taels 110.000. due the Estate of your late General Ward, was laid befor Messrs Woo and Yates, when they met with us to discuss the various claims, and they admitted the

cause

came to be correct, but stated they had paid (or became liable for) a sum of Tails 30.000, (or more $ 30.000, we are at this moment uncertain which) to apply against this account. They never furnished us with any proof of such payment, but left us under the impression that they admitted the sum of some Tails 80.000. to be due to your said Estate from them on this claim.

Yours &c,

(Signed) J. Kearney Rodgers

F. K. B. Jenkins.

Extract of a letter from
Elizabeth C. Ward to A. L.
Freeman Esquire dated

"Salem, April 18th 1864

"I have not sent a Power
"of Attorney to any one though
"requested to do so, having
"full confidence in your
"ability, and hope that you
"will continue to act for me
"until the Estate is settled"

True copy
(signed) George F Seward
(signed) Albert L. Freeman.

Shanghai, September 8th, 1864.

Shanghai, Sept 8th, 1864.

Sir:—

Relative to your statement in a letter to the Hon Anson Burlingame, that a Chinaman, instead of saying I owe so and so thousand taels, would say I owe him thirty thousand taels, he owes me twenty thousand taels. I repeat, as I have before stated, this has repeatedly occurred in my practice.

I observed this peculiarity — especially in a late case at Ningpo, in which I was engaged, and in which the Chinese defendant persisted in saying that he owed the Plaintiff a large sum, at the same time claiming a

much.

much larger sum from the Plaintiff, although I had endeavoured to persuade him to state the balance only. I Enclose a letter from Robt. Raynor Esqr., one of the assessors in the suit referred to, confirming my statement. I will Enclose a letter from the Plaintiff in the suit, if received in time; and should you think it important, I have no doubt that further confirmation could be obtained from Mr. Robt B.B.M. Consul at Tangier.

I have the honor to be

(signed) J. B. Eames.

George F. Seward Esqr
&c &c &c

My dear W. Daniel.

In reply to your question regarding the case of Johnson & Co, vs Bo Amun, in which I was one of the arbitrators, I beg to say that I remember quite distinctly Bo Amun's admitting his indebtedness to Johnson & Co's agent for a certain amount, he at the same time claiming from the same individual as due to him (Bo Amun) an even larger sum.

My own practice in settling accounts with Chinese is almost invariably to tell them in Pidgin English "first my lookee "how much you owe my, then "lookee how much my owe you,

"so

"As fashion very easy finder
"that balance"

I find that the Chinese, at least, in dealing with Europeans, seem always to look upon the whole of the debit side of their account with a house as a debit due by them (Chinese) and upon the whole of the credit side as a debit due them; keeping the two, as it were, distinct until by striking a balance and settling that, the matter is arranged.

Yours very truly
(signed) Robt. Raynor

Sept. 8, 1864.

DEPARTMENT OF STATE
OCT 24 1887
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No 446.

Dun Cuelthofer

Legation of the United States.

Peking September 8th 1887.

Answ. 8 Dec. 84 - Inst. 266

Mr. Denby to the

Secretary of State

Subject.

The right of occupation of two rooms built by Mr. Rockhill

Synopsis.

The Minister claims the right to occupy these rooms which Mr. Rockhill denies. The Department is asked to decide as soon as possible where the right is.

No 446.

Legation of the United States.

Peking, September 8th 1886. [1]

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I had the honor to inform you in my despatch No. 29 Oct. 31st 1885 that Mr. W. W. Rockhill, while he was the Second Secretary of this Legation, built at his own expense two rooms adjoining the Minister's dwelling. I enquired whether the Government would pay him the cost of those two rooms. You answered in despatch

No

2

No 30 of Dec 22nd 1885 that the Government would not reimburse him.

A reference to the plan of the house will give you an accurate idea of these rooms. The Minister's dwelling is in the shape of an L. The perpendicular part represents in succession the following rooms in rear of each other; the Minister's office, reception room, hall, sitting room, bed room of my wife and myself. In the base of the L are two small rooms usually occupied by my daughter and adjoining them with a door connecting are the two rooms built by Mr. Rochlin. opposite to the office of the Minister and

and across a vacant space of about forty feet to the house of the Secretary. The usual manner of reaching the two rooms in question is to pass on a walk in front of all the rooms in the main building and after reaching the door of one of the rooms in the wing to turn to the left. The two rooms are an integral part of the Minister's dwelling conforming in all respects to it in material and appearance.

When I arrived here these two rooms contained some property belonging to Mr. Rockhill. They remained locked up for some time; but during the winter

Mr.

Mr. Rockhill informed Mr. Derby that she might use these rooms. They were accordingly used for entertaining visitors and afterwards were occupied by one of my sons. Latterly Mr. Rockhill has intimated that he desired to reoccupy the rooms.

Hearing of this intention, it being time to arrange for the fall and winter, I addressed a note to him in which I stated that I could not consent that anyone unauthorized by me should occupy a part of my dwelling. I stated further that I regarded these rooms as being the property of the owners of the premises and as having passed to the

Government

Government under the lease and that as the Government furnished him a commodious house detached from these rooms, the two rooms were and must be under my exclusive control.

Mr. Rockhill, in reply, while disclaiming any intention to use the rooms in an objectionable manner, claimed his right to control them. I quote his exact language. "While I fully agree "with you that any improvements "made on another person's property "belong ultimately to the owner of "the property, as a general rule, "for in this case it may be "doubted whether the law applies. "I have never heard it said that

"that the person who has made
"the improvements could be
"deprived of them or even restricted
"in the mode of using them
"while still living on the premises
"in the way your letter suggests."

One answer at least to
this statement would be that
Mr. Rockhill does not live "on
the premises" but lives in a
house on the opposite side of the
compound, which was furnished
him by the Government, when
he ceased to be Second Secretary
and became First Secretary.

It would be useless for Mr.
Rockhill and myself to argue
this question. I am exceedingly
anxious not to do him injustice

or

or to breed ill feeling between us as such controversies are wont to do. Nor do I desire to be a judge in my own case. I, therefore, submit the question to you, claiming only now that the rooms shall not be occupied by either of us at present. I have informed Mr. Rockhill that he is at liberty to present his views in what form he pleases which may be sent with this despatch or seperately as he prefers.

The matter may strike you as petty. But the annoyance of having a stranger exercise the right of controlling, as he pleases, a portion of one's own dwelling, is sufficient warrant

to

to ask that the question be settled, even if as Minister I have the right to forego the legal rights of the Government and my successors.

In this particular case in order to reach the two rooms, persons would pass by the side porch on which my family sits and my own bed room windows and my daughter's room. What noise, disturbance or nuisance they might create in the rooms cannot be forecast. If it be law that the Minister shall submit to an incessant petty inconvenience and loss of privacy because Mr. Rockhill for his own convenience built two

two rooms adjoining the Ministerial dwelling some years ago then some remedy should be provided. If the Minister is to have a house at all he should be as well off as the Secretary and neither the Secretary nor anybody else should have the right to intrude on his privacy.

It may be said in this case that, if Mr. Rockhill had not built the rooms, the Minister would have had only as much house room as he would still have if deprived of the use of these rooms. That is undoubtedly true but the Minister would then have had the use of the

space

space which the rooms occupy and might have utilized it as he pleased. If the question cannot be settled in any other way I very much prefer that Mr. Rockhill shall receive from the owner and the Government the right to tear down these rooms and sell the materials leaving the ground in the condition it formerly was.

a question

It is not, however, whether the Minister shall derive any benefit from the expenditure of another but whether he and his family shall submit to an occupation of a portion of his house, which will always be an annoyance and a vexation and may

may be an intolerable nuisance.

These rooms were built as I understand without any contract with the owners. Their construction presents the ordinary case of a subtenant making permanent improvements of his own volition. He would in law have no right to remove them nor would he have the right to occupy them after his sub-tenancy expired. The Government was the tenant Mr. Rockhill was a subtenant.

It would be strange if without any authority I could build a wing to the Minister's residence and hold it after my term of office expires. The

Case

case of a Second Secretary building for his own convenience an addition to the Minister's dwelling and after being promoted to First Secretary and taking possession of a commodious dwelling furnished by the Government then claiming to occupy his own house and a part of the Minister's also is stranger still.

I have the honor to submit the case to you and respectfully ask an authoritative decision at your earliest convenience.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
NOV 2 1887
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Mr Everett
+
Mr Ford

No. 447

Legation of the United States.

Peking, September 8th 1887.

Mr. Denby to the

Secretary of State.

Subject.

Korean Trade.

Copied Nov. 10, '87 v

(Enclosure filed for publication)



One enclosure.

No 447.

Legation of the United States.

Peking, September 8th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to enclose herewith for your information an article published in a recent issue of a Shanghai paper and containing some remarks on Korean trade and [illegible] outlook.

While I do not entertain too sanguine views as to the future of Korean trade still it would be unjust to accept the views

views of the writer without calling attention to some omissions on his part.

For at least five centuries past the Korean Government has carried on an important trade with China by the overland route by way of Wi-ju and Shan-hai Kuan by means of its so-called tribute bearing missions to the Court of Peking. The most valuable export is of course ginseng. Of this staple over 33,748 lbs. were exported from Newchwang (the Chinese port nearest Wi-ju) in 1886, the total value of which was Hs. 194,543. It is possible that the amount of Korean ginseng brought to Peking may reach about an equal

equal sum.

Korean timber is also much used in northern China but I am unable to ascertain even approximately its value.

The above remarks will suffice, however, to prove that no just idea can be had of the value of Korea's export trade without giving a prominent place to its overland trade with China.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

Enclosure.

1. Extract from N. C. D. News Aug 29th 1887.

DEPARTMENT OF STATE
NOV 2 1887
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file

Mr. Everett

No. 448.

Legation of the United States.

Peking, September 8th 1887.

Mr. Denby to the

Secretary of State.

Subject.

Chinese Pension laws.

No. 448.

Legation of the United States.

Peking, September 8th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to acknowledge the receipt of your despatch No. 220 of July 21st last requesting information concerning the Chinese pension laws especially such as bear on the system of pensioning civil servants.

In reply I have the honor to state that all the information which it has been possible to obtain

obtain was forwarded to the Department in my despatch No 415 of July 23rd 1887.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
NOV 2 1887
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~~No. Consular~~ 2

No. 449.

Legation of the United States.

Peking September 8th 1887.

Mr. Denby to the

Secretary of State.

Subject.

Acknowledging despatch and books.

No. 449.

Legation of the United States.

Peking, September 8th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I have the honor to acknowledge receipt of your despatch No. 209 of July 19th last and also of a copy of Hall's "Treatise on International Law."

Some few days ago the box of books announced in your despatch No. 215 of July 2nd last also reached here together with three volumes sent by mail. The total number

of

of volumes received being seventy-
seven.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
NOV 2 1887
RECEIVED

2D ASSISTANT SECRETARY.
Ack by No. & file
NOV 4 1887

No. 450.

Legation of the United States.

Peking, September 8th 1887.

Mr. Denby to the

Secretary of State

Subject.

Fees for officiae services to American vessels etc.

Synopsis

Mr. Denby has prepared a despatch to Yamên inviting Chinese Govt. to co-operate in abolishing all charges for officiae services to vessels of various nations etc

No 450.

Legation of the United States.

Peking September 8th 1887.

PRINTED
FOREIGN RELATIONS
1888

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I have the honor to acknowledge the receipt of your circular of date July 9th 1887, relating to the Act of Congress, approved July 19th 1886, entitled "An Act to abolish certain fees "for official services to American "vessels, etc. etc.", and directing me to notify the Chinese Government of the passage of this act and

To

and to invite that Government to cooperate with the United States in abolishing all light-house dues, tonnage taxes or other equivalent tax or taxes on and also all other fees for official services to the vessels of the respective nations employed in the trade between the ports of China and the United States.

I have prepared a despatch to the Tsung li Yamên, complying with these directions, which is now being translated. When an answer is received I will inform you of the contents thereof.

In compliance with your instructions I have also taken measures to ascertain whether

in

in the ports of China or any dependency thereof any discrimination exists against vessels of the United States as compared with the vessels of China (other than those engaged in the coasting or colonial trade) or the vessels of any third country.

I will report thereon at the earliest possible moment.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
NOV 2 1887
RECEIVED.

No. 451.

Legation of the United States.

Peking September 9th 1887.

2D ASSISTANT SECRETARY.
Ack. by Number and File.
APR 7 1888
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Mr. Denby to the

Secretary of State.

Subject.

The Siberian Railway.

Synopsis

Effect on China of building this line. Necessity for China to construct railways discussed in connection with the plans of the Philadelphia Syndicate.

No. 451.

Legation of the United States.

Peking, September 9th 1887.

PRINTED
FOREIGN RELATIONS
1888.

To the Honorable

Thomas F. Bayard

Secretary of State,

Washington, D.C.

Sir:

In connection with the alleged plans of the Philadelphia Syndicate, on which I have endeavored to keep you posted, the railway schemes of Russia must be taken into consideration. omit

What effect ~~they~~ may have on the policy of the Chinese Government it is impossible to prognosticate, but the effect of the completed lines

lines on China is not difficult to forecast.

The scheme of a trans-Uralian railway, which will connect St Petersburg, on the Baltic Sea, with Wladiwostock, on the Pacific Ocean, is bold but feasible. The construction of our own trans-continental railways, and, particularly, the completion of the Canadian Pacific have at the same time demonstrated the feasibility of building railways of great length, and their usefulness when completed. England finds over the Canadian Pacific a new route to India partly on her own soil, and the balance on the sea which her navy dominates.

Russia

Russia is keenly alive to the advantages which would thus accrue to her great rival in the event of a war for India, which has so often been imminent, and, some day, as the world believes, must transpire. But, the country which is most threatened by the proposed Russian line is China.

The trans-Siberian railway is now completed from St Petersburg to Tiumen, a trans-Uralian city. As the new line is laid it depends somewhat on steam navigation. But, as the waters in Siberia are closed by ice from ~~from~~ the 10th of November to the 10th of April, the railway line to serve the required purposes must be continuous.

The

The line must rely largely on governmental aid. A railway cannot compete with the Amur river steamers in carrying tea, nor, probably, with the caravan route across the desert to Irkoutsk. Grain and cattle are cheap in Siberia, but so they are in Russia. It will take many year to develop the immense mining interests in Siberia. The road will be very costly to build, and cannot rely on its own revenues. Military exigencies for such a road are pressing. In 1878-79 war nearly resulted between Russia and China over the rejection by China of the treaty made by Chung How.

The

The immense labor and expense of accumulating men and munitions of war at Wladiwostock, the insufficiency of the fleet in the Pacific, the want of a base of operations, the absence of arsenals, all taught Russia a lesson.

She abandoned the treaty as made and gave back to China the largest part of Ili, retaining, however, some strategic positions.

Russia now recognizes that by existing means of communication she cannot move troops and stores in requisite quantities. She realizes, that, by building a road to the Pacific, she may become the greatest power on that ocean. It is true that her Pacific port

Wladiwostock

Wladiwostock, is closed by ice during the winter, but, when once she has grasped the Pacific, she will not be slow in seizing a more southern port, perhaps Port Lazaref.

The necessities of the Chinese Empire thus become clear. She must build railroads to preserve her lines of communication and to enable her to mass troops. She must build a line to Moukden with a branch thence to the Amur, and another to Possiet, so as to give strategic communication with Korea. She must defend her frontier with forts and men, and there must be communication to them by rail.

What

What influence these ideas
have had on the late action of
China, in connection with American
capitalists, I cannot say, but as
they are now being discussed
in all the newspapers, either in
criticism or approval of that action,
it is likely that the Chinese
statesmen have grasped the
problem. It is to be hoped that
its solution will redound to
the benefit of my compatriots.

I have sedulously undertaken, unofficially
to impress Chinese officials with
the plainly apparent fact that
our countrymen can best serve
China, because of our form of
government, our fixed determination
to acquire no territory on any

omit

continent

continent but our own, and the vast experience we have in the construction of railways. The bugaboo of foreign domination growing out of loans, as in Turkey and Egypt, is rung in the ears of the Chinese by all the foreigners. But, as affecting the United States, the Chinese statesman clearly sees that the movement on our part is not governmental but private, that no political combination can possibly arise, and that, while the argument drawn from a fear of foreign control completely annihilates the pretensions of European powers, it, by contrast, strengthens our position.

omit

J

I beg to be understood as taking no credit to myself for the success of my countrymen. I have at most been as "one crying in the wilderness".

omit

From the Chinese Times, to which I am indebted for some of the foregoing facts, I take the following statement of the distances of the proposed railway; from St Petersburg to Tiumen 1816 English miles; from Tiumen to Wladiwostock 4796 miles, or, allowing for divergencies, 7226 miles. The cost of building the line between Tiumen and Wladiwostock is estimated at £ 48.000.000 sterling.

I have the honor to be, Sir,
Your obedient servant,
Charles Denby

Dispatches
4

DEPARTMENT OF STATE
NOV 2 1887
RECEIVED.

2D ASSISTANT SECRETARY.
Acted. Memo added
Nov. 7 Curtis
NOV 4 1887

Legation of the United States,
Peking, September 11th, 1887.

Mr. W. W. Rockhill
to the
Secretary of State.

Subject
Application for leave of absence
with permission to return to the
United States.

Legation of the United States,
Peking, September 11th, 1887

The Honorable
Thomas. F. Bayard
Secretary of State
Washington. D.C.

Sir:-

I have the honor to request that you will be pleased to grant me a leave of absence from my post for sixty days with permission to return to the United States.

Should my request be granted, I would like to leave Peking as soon as navigation on the Pei ho opens in 1888,

say

say the first of March.

My presence is urgently required in the United States - from which I have now been absent three years and a half, by recent death in my family and by the necessity in which I am to attend to my private affairs.

I have the honor to be,

Sir,

Very respectfully,

Your obedient servant,

W. W. Rockhill

I am cognisant of some of the material facts which make it necessary for Mr. Rockhill to visit the United States. I approve of the foregoing application with the expression of my very sincere regret that he for a time - if the application is granted - to be deprived of his efficient and valuable services.

Charles Denby

DEPARTMENT OF STATE
NOV 2 1887
RECEIVED

No 452.

Legation of the United States.

Peking, September 15th 1887.

Mr. Denby to the

Secretary of State.

Subject.

Acknowledging despatches

No 452.

Legation of the United States,

Peking September 15th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to acknowledge the receipt of your despatches No 221 of July 27th and No 223 of August 4th last.

I have the honor to be,

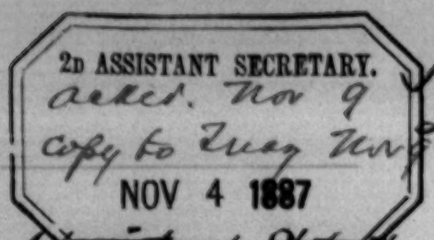
Sir,

Your obedient servant,

Charles Denby

Inclosure 7





No 453.

Legation of the ~~United States~~.

Peking September 15th 1887.

Mr. Denby to the

Secretary of State.

Subject.

Further reply to circular of July 9th

Synopsis

No discrimination against vessels of United States in Chinese waters

No 453.

Legation of the United States.

Peking September 15th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

PRINTED
FOREIGN RELATIONS
1888

Sir:

As a further acknowledgment of your Circular of date July 9th directing me to report whether there is any discrimination against the vessels of the United States in Chinese waters, I have the honor to state that no such discrimination exists.

By Article XVI of the Tientsin Treaty of June 18th 1858, the tonnage

tonnage duties are fixed at the rate of four mace per ton of forty cubic feet for vessels over one hundred and fifty tons burden and one mace per ton of forty feet for vessels of one hundred and fifty tons burden or under.

By the Immigration and Commercial Treaty of November 17th 1880, it is provided, "Article "III. His Imperial Majesty the "Emperor of China hereby promises "and agrees that no other kind "or higher rate of tonnage dues "or duties for imports or exports "on coast-wise Trade shall be "imposed or levied in the open "ports of China upon vessels wholly "belonging to citizens of the United

"United States, or upon the
"produce, manufactures or
"merchandize imported in the
"same from the United States
"or any foreign country, or
"transported in the same from
"any open port of China to
"another, than are imposed
"or levied on vessels or cargoes
"of any other nation or on those
"of Chinese subjects".

The United States, by the last clause of the same article enter into the same agreement. Discrimination, therefore, is impossible.

Prior to the adoption of the treaty, China, through Prince Kung assured Mr. Angell that

there

there was no discrimination against vessels of the United States.

During my term of office there has been no complaint of any discrimination.

It seems that there has been but one Chinese steamer, the "Ko Chung", that has ever entered a port of the United States.

I have transmitted to the Tsung-li Yamên a translation of the Act of Congress set out in the Circular and of the most material parts of the circular itself.

I have the honor to be, Si

Your obedient servant

Charles Den

DEPARTMENT OF STATE
NOV 2 1887
RECEIVED.

Ans. 7 Nov. 87 C.V.
See draft of Ltr in file

No 454. Mr Everts 5

Legation of the United States.

Peking September 16th 1887.

Mr. Denby to the

Secretary of State.

Subject.

Proceedings in opium confiscation cases

One enclosure.

No. 454.

Legation of the United States.
Peking, September 16th 1887.

To the Honorable
Thomas F. Bayard
Secretary of State
Washington, D.C.

Sir:

I have the honor to forward to you herewith a copy of the circular which I have addressed to the Consuls of the United States in China, in reference to the Act of Congress of Feb. 23rd 1887, enforcing the stipulations of the treaty of 1880 concerning opium.

I have the honor to be, Sir,
Your obedient servant.
Charles Denby

Enclosure
Circ. to Consuls, Sept 13th 1887.

Enclosure in No. 454. Copy.

Circular to the U. S. Consuls in China.

Legation of the United States.
Peking Sept 13th 1887.

Sir:

With the approbation of the Department of State I issue the following directions to the Consuls of the United States in China.

The Act of Congress approved February 23rd 1887, entitled "an "Act to provide for the execution "of Article two of the treaty "concluded between the United "States of America and the Empire "of China, on the 17th day of "November 1880 etc.", will be enforced by the Consuls as far as it provides for the infliction of a personal punishment, or fine, for violations of its provisions. The jurisdiction of the Consuls for that purpose is held to be

exclusive

exclusive.

The last paragraph of Section 3 of said law, after denouncing a forfeiture of opium under the conditions stated provides that "such forfeiture and the declaration "and consequences thereof shall "be made, had, determined and "executed by the proper authorities "of the United States exercising "judicial powers within the "Empire of China."

It is believed that this clause is inoperative under the treaties. The proceeding in rem therein provided for will not be enforced by the Consuls.

Should any case involving the confiscation of opium be brought to their attention, it will be governed by the eight rules which have long governed confiscation proceedings in China. These rules provide for a trial before the Consul of the Foreign

Power

Power whose citizen is interested and an officer of the Customs and for an appeal to the Minister and the Foreign Office.

For convenience I refer to page 527 Part I Dip. Concp. 1868, to a book entitled "Treaties between the Empire of China and Foreign Powers", edited by William F. Mayers, page 216. These rules were agreed to and promulgated at Peking the 31st May 1868.

I am, Sir, etc

(sigd) Charles Denby

To Sec'y of Navy
22 Nov. 87 N.H.C.

No 455.

DEPARTMENT OF STATE
NOV 11 1887
RECEIVED.

Wm Everett
16

Legation of the United States.

Peking September 17th 1887.

Mr. Denby to the

Secretary of State.

Subject.

A tour of inspection of Consulates

№ 455.

Legation of the United States.

Peking September 17th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I have the honor to bring to your attention thus early the question whether I shall, in the spring of 1888, make an official trip to Formosa and generally to the open ports.

It has been usually supposed that such a trip should be made by the Minister every two years. My last was in

the

the spring of 1886, for. I do not count my visit to Shanghai the past spring.

If, after reading this despatch, you conclude that such a tour is desirable, I request that you will arrange through the Hon. Secretary of the Navy for transportation in a man-of-war. My purposes would not be at all served by travel in the merchant steamers.

A man-of-war ensures respect and consideration, provides salutes, escorts, the means of receiving Chinese officials. Other considerations are even more important. The trained professional assistance which the accomplished navigato

navigators and especially educated officers of the Navy, can afford the Minister is of immense value. It is profitable instruction when sailing along the China coast – the most difficult in the world – to have skilled and willing experts to solve all scientific and geographical questions.

To the Minister, such trips if his location is in the extreme north of China, in honorable exile from business haunts – are invaluable.

It is, perhaps, unnecessary that I should do more than suggest these considerations. But, out of abundance of caution, I append

a

a few reflections.

It must be remembered, in dealing with China, that a very considerable part of the actual business done by the Legation does not reach the Department at all except in results, where they are important enough to warrant special mention. The immense correspondence involving local questions, such as land titles, missionary troubles &c., in Pekin is not reported in detail. The numerous letters asking advice on many subjects are not often reported. Each year furnishes this Legation a volume of such correspondence from each Consulate as well as

as a miscellaneous volume, and to report all the matter in detail would require a dozen volumes in addition to my own despatches.

The oral discussion with the Consuls of such questions as continually arise is exceedingly advantageous, because of its completeness as compared with transmission in writing. Consuls too are much strengthened in influence by a ministerial visit to their port. They seize such occasions to work off pending questions.

The Viceroys, Governors and Taotais take a ministerial visit as a compliment. They make

make great preparations for the occasion and, with usual Chinese shrewdness, they expect and often request that the Minister shall make a favorable report to the Tsung li Yamên of their character, capacity and politeness.

To resident Americans the arrival of the Minister is the signal for the presentation of every topic affecting their condition. All grievances and difficulties, public and private, are detailed to him.

His visit is by no means one of unadulterated pleasure. At Chinkiang I spent a day in viewing the locale of a land suit

suit, and at Foochow I spent some time in investigating an alleged nuisance to a compound caused by the fumes produced in making paper sycee. At Tientsin, missionaries came some distance from the interior of Shantung to consult me. And, in this instance, at least, my advice not to apply to Peking, but to fight it out with the local authorities, met with success.

To all foreign residents the arrival of a man-of-war with a Minister ata concession makes a gala time, signalized by dinners, dances, celebration on the recreation ground and

all

all forms of innocent amusement.

The foreign Minister in China is regarded as belonging to all nationalities, and Chambers of Commerce and merchants freely consult him.

If I can credit my former companions on the "Marion" such trips are both delightful and instructive to the ship's company. The officers participate in all the receptions, make universal acquaintance, get thoroughly to know the harbors and rivers, while by their bearing they add a lustre to the reputation of their country.

A trip next spring I think particularly desirable owing

to

to the intimate relations
lately formed between China
and certain Americans.

The official advantages
to the Minister need simply
to be glanced at. In other
countries rapid communication,
a written law, a consolidated
government may make such
tours unnecessary. Practically
in China there are as many
governments as there are
provinces. The Consuls treat
with the Viceroys many
questions that never reach
Peking. To know and influence
these officials personally is
desirable. My visit to Canton
thoroughly illustrated this
idea

idea.

Had it not been for your wisdom and kindness in permitting me to make the cruise in the "Marion", I do not see how I could ever have practically understood the harbor obstruction questions at Canton and Shanghai, Lekin questions, transit passes, opium, coasting trade, extraterritorial laws, etc. etc. Such questions do not arise in any other jurisdiction.

I did not visit Newchwang or Formosa, places I would now visit and if time served perhaps Korea. I should not expect to go up the Yangtze again but I should visit the most

most of the southern ports.

On such a trip I should still discharge my own important duties. I would be in receipt of the despatches of the Department as early as at Peking and would, as I did before, answer all despatches.

The expense of such a trip would be comparatively small. It should be paid by the Government. Owing to the absence of Mr. Rockhill from Peking,* I would travel alone.

[* on leave granted for next spring and summer - aaa]

I desire in the most emphatic manner to state that, in proposing this trip, I am not in the least governed by

any

any desire for personal enjoyment. Unless you think that such a tour is desirable on official account, I do not wish to make it. It is questionable whether the labor does not balance the pleasure. While complete rest when sailing is enjoyable, on shore the physical labor of interminable visits and receptions and the mental labor of worrying with chambers of commerce, merchants, missionaries and consuls constitutes a fair offset.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
NOV 2 1887
RECEIVED

No. 456. Three inclosures.

Legation of the United States,
Peking, September 19th 1887.

Rec'd 8 Dec. 87 Inst. 266

Mr. Charles Denby
to the
Secretary of State.

Subject

Correspondence in re. rooms in the legation compound built by Mr. Rothschild.

N°. 456 Three inclosures.

Legation of the United States,
Peking, September 19th 1888).

The Honorable
Thomas F. Bayard
Secretary of State.
Washington. D.C.

Sir,

As a further reference to my despatch N°. 446 of the 8th instant, I have the honor to forward to you herewith copies of the notes addressed by me to Mr. Rockhill and of his answer thereto in reference to the right of occupancy of the rooms built by him in the legation compound.

This

This correspondence is submitted at Mr. Rockhill's request.

I have the honor to be,
Sir,
Your obedient servant,
Charles Denby

Inclosures.

1. Mr. Denby to Mr. Rockhill.
August 31. 1887.
2. Mr. Rockhill to Mr. Denby.
September 2. 1887.
3. Mr. Denby to Mr. Rockhill,
September 4. 1887.

Enclosure 1 in No 456.

Mr. Denby to Mr. Rockhill.

August 31. 1887.

Dear Mr. Rockhill

..... We ought to settle as to the occupancy of the two rooms built by you, now an integral part of my residence.

The Government furnishes you a house in lieu of these rooms, and in law they belong absolutely to the owner of the soil and their occupancy passed by lease to the Government.

But in any event I cannot consent — any more than you or any right minded person would,

would, that any portion of my dwelling, especially that portion adjoining my daughter's rooms should be occupied by any person outside of my own family

Such occupancy - for a book room or any other purpose. would destroy all privacy, and be an incessant annoyance, which, I, nor any body else, ought not to be expected to submit to.

I will helps you in any shape to get your money back. As I am compelled to pay $300 out of rent money for the stable, you might get the consent of the owner that I should pay it to you. It would

be right to do so.

But it must be understood once for all that either I occupy these rooms or they remain unoccupied.

I write plainly but in the most friendly spirit and I hope you will so take this letter.

Yours sincerely
(Sgd) Charles Denby.

Enclosure 2 in No. 456.

Mr. Rockhill to Mr. Denby.

Sept. 2d. 1889.

Dear Mr. Denby.

. . . . . Knowing the friendly feelings which you have ever shown me, I feel at liberty to express myself with the same frankness which you have used in your letter to me.

While I fully agree with you that any improvements made on another person's property belong ultimately to the owner of the property - as a general rule, for in this case it may be doubted whether this law applies, I have never heard it said that the

person who has made the improvements could be deprived of their use or even restricted in the mode of using them while still living on the premises in the way your letter suggests.

I cannot accept as definitive your final remark "it must be understood once for all that either I occupy these rooms or they remain unoccupied", for you must agree with me in saying that you have no control over them.

If you desire to have these rooms, I will cede them to you for whatever sum may be judged reasonable, otherwise they remain at my disposal

while

while I dwell in this legation.

You can rest assured however that I am sufficiently "right minded" and aware of what is due to propriety to never make any use of these rooms or of any of the other buildings which I occupy in the legation which might cause inconvenience or annoyance to any of the other residents in the compound.

Very truly yours
(Sgd) W. W. Rockhill.

Enclosure 3 in No. 456.

Mr. Denby to Mr. Rothschild

Sept. 4. 1887.

Dear Mr. Rothschild,

Your favor of the 2d inst., leaves me no alternative but to present to the Dept the question as to the right of occupancy of the two rooms. I cannot of course buy you out because you have in my opinion nothing to sell. If I bought you out I would be in the same fix you are in when my term of office terminates.

I send to my son* a despatch stating the question as I understand it. You can if you

* To be copied, I suppose, for transmission. Mr. Denby is Second Secretary of Legn.

you please send an enclosure
or accompanying despatch stating
your views.

Yours sincerely
(Sgd) Charles Denby

Send enclosure to War Dept
for executive
return

Mr Everett
14

No 457.

DEPARTMENT OF STATE
NOV 11 1887
RECEIVED

One enclosure.

2D ASSISTANT SECRETARY
Ack'wit appreciation
copy to War Dept.
NOV 12 1887

Legation of the United States.
Dec 2 by Cuddy
Dec 2 by Cuddy
aas
Peking, September 21st, 1887.

Mr. Charles Denby.

to Mr.

Secretary of State

Subject

Pay and Allowances of
Chinese Troops.

Synopsis.

Enclosing paper on above
subject prepared by Mr.
F. D. Sherman, Interpreter
United States Legation Peking.

No 457. LEGATION OF THE UNITED STATES

Peking, September 21st 1887.

Honorable Thomas. F. Bayard

Secretary of State

Washington.

Sir:—

I have the honor to transmit herewith a report prepared by Wm. F. D. Sheehan, the Interpreter of this Legation on the compensation of the Chinese soldiers in answer to your circular of date April 15th, 1887.

The delay which has resulted is attributable to the absence of any published schedule, and the necessity of having recourse to Chinese originals.

Mr. Sheehan has performed this difficult duty with the industry which he always displays and with great ability.

I am personally under great

obligations

obligations to him, and, I have no doubt, that the Department will properly appreciate his evidence of his learning, and his desire to perform acceptably the duties of his very important position.

I have the honor to be,

Sir,

Your obedient servant

Charles Denby

Enclosure 1.

Paper on pay and allowances of Chinese troops as above.

Acc. file
W. Everett
17

J. B. M.

No 458.

DEPARTMENT OF STATE
NOV 11 1887
RECEIVED.

Legation of the United States.

Peking, September 21st, 1887.

W. Charles Denby

to the

Secretary of State

Subject

Dues on navigation

Synopsis

Chinese decisions to cooperate with the United States in the above matter.

No 458. LEGATION OF THE UNITED STATES

Peking, September 21st 1887

Honorable Thomas F. Bayard

Secretary of State

Washington.

PRINTED
FOREIGN RELATIONS
1888

Sir:—

Adverting to my despatch No 453, of date the 15th inst., I have now the honor to enclose copy of reply which I received from the Foreign Office, wherein you will observe that the Chinese Government find it difficult to accept the invitation of the Government of the United States—for the reasons set forth therein—to cooperate with it in carrying out, upon a reciprocal basis, the Act of Congress approved June 19th, 1886, having relation to the abolition of tonnage dues and

and other charges on navigation.

I have the honor to be,

Sir,

Your obedient servant

Charles Denby

Enclosure 1.

The Foreign Office to Mr. Denby dated

September 19th, 1887.

No 15/1887.

The Foreign Office

to Mr. Denby

Peking, September 19th, 1887.

Your Excellency:—

The Prince and Ministers had the honor to receive on the 15th instant, a communication from Your Excellency, by which you informed them that under a new Act of Congress, a reduction or complete abolition, by reciprocal action, of tonnage and all other charges on navigation could be made between the United States and Foreign Countries. Your Excellency transmitted a translation of four clauses of said Act and

on

on behalf of your government
invited China's co-operation
with it, in making the reductions
specified by said Act, &c, &c.

It appears to the Yamen,
that in Western Countries the
carrying trade is conducted
by vessels of those countries,
and hence the question of a
reduction of tonnage dues, or
the entire abolition of such
charges on navigation could
be reciprocally discussed, but
as a very few merchant vessels
under the Chinese flag, ever
go to foreign Countries, the
circumstances are different,
and for that reason, China
finds it difficult to accept

the

the invitation extended by the United States.

It is my duty bound the Prime and Ministers, send this communication in reply, with the request that Your Excellency will Communicate their decision upon this question to the Government of the United States.

I renewing communications addressed to

His Excellency

Charles Denby.

Mr Everett
14

No 459.

DEPARTMENT OF STATE
NOV 11 1887
RECEIVED.

...ch by No. & file
NOV 12 1887

Legation of the United States.
Peking, September 21st 1887.

Mr. Charles Denby
to the
Secretary of State

Subject
The Finances of China.

Synopsis.
Enclosing two interesting memorials indicating the Commencement of the preparation of a Budget.

Copied.

No 459 LEGATION OF THE UNITED STATES

Peking, September 21st 1887

Honorable Thomas F. Bayard
Secretary of State
Washington.

Sir:—

In my despatch No 383, of date the 10th ult of June, ultimo, I reported that there was no budget in China.

I now enclose translations of two memorials from the Board of Revenue: one provides funds for the furnishing of supplies to the Imperial Household; the other is a species of Imperial budget. It assesses on various sources of revenue contributions for Imperial requirements. This is the first time as far as I know that such a document has been published. It indicates that China intends, by degrees, to centralize the levy of taxation, a crying need

word.

In finances, China may be considered to be in the condition that the United States was prior to the adoption of the Federal Constitution.

A direct assessment on various items of income and the publication thereof, may be regarded as the initiation of regulations which may lead to the adoption of a budget, as understood in other countries.

The phrase "opening of the seals" used in the second sentence means, when the official seals are brought again into use after the New Year holidays. The seals are put away from about the 20th of the 12th moon to about the 20th of the first moon, Chinese calendar, but to prevent delay of business, blank forms are prepared, i.e. sealed for use during the New Year vacation.

1

I have the honor to be,

Sir,

Your Obedient Servant

Charles Denby

Enclosure 1/2 -

Clippings from the Chinese Times

of September 10th, 1887.

Enclosure 1. with despatch

10th September, 1887.

A Memorial on Imperial Household Finance.

A postscript memorial from the Board of Revenue for providing special funds for the use of the Imperial Household :

Some years ago it was decided, with the sanction of the Throne, to increase the funds annually appropriated for the use of the Imperial Household. During 1866 and 1867 an additional amount of Tls.300,000 was each year allowed, and later on, on account of the increased expenditures of the Imperial Household, it was again decided to augment the appropriations for the use of the Imperial family. Accordingly, beginning from the year 1868, the memorialists laid aside a supplementary amount of Tls.300,000 making in all a total additional subsidy of Tls.600,000 per annum. The memorialists are well aware that the revenue and taxes are remitted to the capital by the provinces are limited, and on account of the demands for national expenditure being daily on the increase, the funds in hand are really insufficient to meet the present requirements. But they also bear in mind that the sum decided to be appropriated is to meet the urgent uses of the Imperial Household, and for this very reason, it behoves them to devise plans for its provision, as they have done heretofore. They have therefore prepared a schedule of the different allotments to be contributed from various sources, and this they will append later on. They pray that His Imperial Majesty may direct by Decree the Viceroys, Governors, Financial Commissioners, Salt Commissioners, Customs Superintendents, Generalissimos, and all concerned, to forward in successive instalments, during the ensuing year, their respective apportionments. That they be instructed to notify beforehand the Board of Revenue the date when the remittances are forwarded, and that the first half of their shares be sent in within six months from date of opening seal next year, and the balance during the following 12th moon. The list of apportionments is respectfully appended :—

From the Liang Wai Salt Gabelle			Tls.120,000
„ „ Chêkiang	„	„	50,000
„ „ Canton	„	„	50,000
„ „ Hupeh	„	Likin Offices	50,000
„ „ Fuhkien Tea Duty			50,000
„ „ Huai An Customs Revenue			30,000
„ „ Fuhkien	„	„	100,000
„ „ Kiukiang	„	„	150,000
		Total	Tls.600,000

Enclosure No 2. with despatch.

A Memorial on Finance.

A memorial from the Board of Revenue submitting certain proposed measures for supplies for the coming year :—

The memorialists beg to submit that in former years two special appropriations were annually made from the revenue and taxes forwarded to Peking, the first one in the winter, and the second in the following spring. During the year 1886 an appropriation of Tls.7,000,000 was made, and later on in the spring of 1887 there was a supplementary appropriation of Tls.1,000,000, making the total sum thus appropriated Tls.8,000,000. The time having arrived when special funds must be provided for the present year, the memorialists in joint deliberation, have decided to conform to the precedent followed in the year 1885, when the winter appropriation of Tls.7,000,000 was levied from the different provinces, the amount allotted to each province being based upon their financial condition. They have drawn up a schedule of the different allotments for the inspection of His Imperial Majesty, praying that he will direct by Decree the various Viceroys, Governors, Generals in charge of Customs, Superintendent of the Salt Gabelle, Financial Commissioners, Customs Superintendents, and all those concerned, to remit the different amounts apportioned them in the ensuing year when the seals are opened. That the first half of their apportionments be remitted within five months after the opening of the seals, and the balance during the first part of the following twelfth moon. And if the contributions be not promptly forwarded and in full, that the delinquent be impeached in accordance with existing regulations. The list of assessments on the various provinces for securing special funds for the year 1887 are appended below :—

From the	Shansi	Land taxes..... Tls.450,000
„	Shantung	„ „ 400,000
„	Chêkiang	„ „ 400,000
„	Hupeh	„ „ 450,000
„	Hunan	„ „ 200,000
„	Honan	„ „ 200,000
„	Anhui	„ „ 200,000
„	Kiangsi	„ „ 350,000
„	Kiangsu	„ „ 150,000
„	Kuangtung	„ „ 100,000
„	Fuhkien	„ „ 200,000
„	Chihli	Salt Gabelle 250,000
„	Kiangsu	„ „ 250,000
„	Chêkiang	„ „ 220,000
„	Canton	„ „ 200,000
„	Shantung	„ „ 140,000
„	do.	increased price on Salt.. 70,000
„	Fuhkien	Salt Gabelle 150,000
„	Hupeh	Salt Likin 100,000
„	Hunan	„ „ 50,000
„	Szechuen	„ „ 150,000
„	do.	subsidy from Taxes..... 120,000
„	Fuhkien	Tea Duty..... 200,000
„	Canton	I. M. Customs Revenue .. 100,000
„	do.	Surplus Funds 60,000
„	Fuhkien	I. M. Customs Revenue.. 200,000
„	Kiukiang	„ „ .. 100,000
„	Chêkiang	Inland Customs „ .. 40,000
„	do.	Maritime „ „ .. 100,000
„	Kiangsu	„ „ „ .. 150,000
„	Hankow	„ „ „ .. 150,000
„	Taiping	Inland „ „ .. 150,000
„	Tientsin	„ „ 40,000
„	Chefoo	Maritime Customs 50,000
„	Chinkiang	„ „ 60,000
„	Kiangsi	Inland „ 30,000
„	Yangchow	„ „ 30,000
„	Wuhu	„ „ 30,000
„	Fêng Yang	„ „ 30,000
„	Anhui	„ „ 60,000
„	Kiangsu	Likin Income 100,000
„	Kiangsi	„ „ 100,000
„	Chêkiang	„ „ 100,000
„	Kuangtung	„ „ 100,000
„	Hupeh	„ „ 120,000
„	Hunan	„ „ 50,000
„	Anhui	„ „ 50,000
		Total Tls.7,000,000

DEPARTMENT OF STATE
NOV 11 1887
RECEIVED

No. 460.

Mr Everitt
14

Legation of the United States.

Peking, September 21st 1887.

Mr. Denby to the

Secretary of State.

Subject.

The conditions on which Chinese may visit the United States.

Subject.

An analysis of Sect. 13 of the Act of July 5th 1884 p. 116 Vol. 23 U.S. Statutes at large.

No. 460.

Legation of the United States.

Peking September 21st 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to state that owing to the application of the Tsung-li Yamên for papers for two officials to visit the United States, which has been reported to you, I gave the whole subject of the mode and manner in which Chinese subjects may visit the United States a close examination. I take the liberty

of

of offering some observations thereon in the hope that they may be of some use.

Preliminary thereto, I beg leave, for fear of misapprehension, to say that I regard that portion of the Exclusion Act which prohibits the immigration of laborers as proper and desirable. I also state that I do not intend anything herein written as a criticism on the acts of Congress.

My duty as an executive officer will be best fulfilled by implicit obedience to law. My observations are intended simply for information.

But, day by day, I realize the

the vastness of the problem before the diplomatic agent in China. Day by day, I realize how much I have to learn, how great the difficulty of coming to correct conclusions, the incorrectness of previous conclusions. The immense field of knowledge before me, to be penetrated without the advantage of knowing the language of the country, creates weariness and despondency. To understand this people, to form correct ideas of their relation to the rest of the world, particularly to the United States, to apprehend their real manner of thought, is the labor of a life-time.

I venture simply to suggest

there

these conciderations. Any solution of them offered by me now would or might be upset by greater experience.

But this I may say that the American in China is heavily weighted. Any proposed concession to his countrymen – as for instance the transactions at Heintein of the Philadelphia Syndicate – opens the floodgates of denunciation against us. (Unknowing, as I do, the members of that Syndicate, and without personal knowledge of their plans, still it is not in American human nature to stand by and hear one's country denounced without entering the fight.

? But

Outrages

Outrages may be likened to similar wrongs in China, may be regretted and may not leave behind them ineradicable evil results. But is our legislation relating to China just? We cannot complain if we are tried by our laws. I shall not presume to offer any opinion thereon. It would be for you and not for me to take up this question.

I shall state bare, naked facts and leave the conclusions to be drawn by you, confident in the belief that, whatever others may do, your own conclusions will be right.

In 1886 our imports from China were ₱18,972,963, our

exports

exports were $7,520,581., a total of $26,493,544. That the imports exceeded the exports brings no adverse commentary on this great commerce. Political economy has exploded the idea that a balance of trade against any nation is disastrous. The rich nations always buy more from the poor nations than they sell to them and this result argues prosperity in the greater purchasing nation and not the reverse.

We have in China eight Consuls and four Vice-Consuls, counting the agency in Formosa. They are on the sea-board or on the great rivers and in all cases

but

but one, Kankow, close to the sea. Behind them and around them are four hundred millions of people occupying a vast region of country.

Let us now, with these conditions before us, analyze the 6th Section of the Act of July 5th 1884, found set out at page 116 of Vol 23 of the United States Statutes at large. This section determines the conditions on which all this people, save laborers, who are excluded, and diplomatic and other officers (See Sec 13) may enter into the United States.

The Chinese who desires to enter the United States must perform the following conditions

precedent

precedent:

1st He must obtain the permission of his own government.

2nd He must be identified as entitled to go to the United States.

3rd If he lives under a foreign government conditions one and two must be complied with.

4th In each case he must procure a certificate to evidence this permission and identity.

5th The certificate must be issued by the government.

6th It must be in English.

7th The certificate shall show such permission.

8th It shall show the name of the permitted person in his or her proper

proper signature.

9th It shall state the individual, family and tribal name in full.

10th It shall state the title or official rank of the applicant.

11th It shall state the age, height and all physical peculiarities.

12th It shall state his former and present occupation and profession.

13th It shall state when and where and how long such occupation or profession has been pursued.

14th It shall state his place of residence,

15th That he is entitled to go to the United States.

16th If the applicant be a merchant the certificate shall state also the nature of his business,

17th

17th and the character of his
business.
18th and the estimated value
of the business carried on by
him prior to and at the time
of his application.
19th No huckster, peddler or
person engaged in taking,
drying or otherwise preserving shell
or other fish for home consumption
or exportation shall receive a
certificate.
20th If the certificate be sought for
purpose of travel or curiority it
shall also state whether the
applicant intends to pass through
or travel within the United
States.
21st And his financial standing
in

in the country he departs from.

22nd This certificate shall, before the holder goes aboard a ship, to proceed to the United States, be visèd by (the endorsement of) the diplomatic agent or a Consul at the port whence he intends to depart.

23rd Such diplomatic officer or consul shall before endorsement examine into the truth of the statements set forth in said certificate.

24th If he finds any of the statements untrue he shall refuse his endorsement.

25th Such certificate shall be prima facie proof of the facts.

26th It shall be produced to the

Collector

Collector of Customs of the port at which the applicant arrives, 27th. shall be produced to the authorities whenever lawfully demanded,

28th. shall be the sole evidence of the right to enter,

29th. may be controverted and the facts disproved by the authorities.

Section 8, p. 117 provides:

1. The master of any ship carrying Chinese to the United States shall deliver to the Collector a separate list of all Chinese passengers.

2. Such list shall show the names of such passengers and the names and other particulars as

as shown by their respective certificates. " "

3. Such list shall be sworn to.

4. A refusal or neglect to comply with these provisions incurs like penalties as the refusal or neglect to furnish manifest of cargo.

Section 10 forfeits the vessel for a violation of the act.

The remaining sections of the act need not be particularly cited. They repeat and emphasize the sections already quoted from.

I submit that this law is practically impossible of execution. If a man comes from the interior and desires to go

to

to the United States I do not see how a consul at a port can ever satisfy his conscience as to the truth of the facts that he must certify to officially on his own knowledge or on proof made before him.

I am quite sure, also, that the Chinese Government will not prepar in the English language such a certificate for any of its subjects.

When this act becomes thoroughly understood in China it may result in non-intercourse between the two countries. What effect such a condition would have on our commerce and on the Americans in China is

worthy

worthy of the consideration of
the most profound statesman.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

No 461.

Legation of the United States.

Peking, September 27th 1887.

Mr. Denby to the

Secretary of State.

Subject.

Interview with the Yamên

Synopsis

The Minister defended the United States against unfounded attacks growing out of the transactions of the viceroy at Tientsin.

№ 461.

Legation of the United States.

Peking September 27th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I have the honor to report the substance of an interview had by me with the Tsung-li Yamên today.

You have already been informed that considerable opposition has been developed in China to the plans of the Philadelphia Syndicate. This opposition has spared no argument

that

that could be reduced drawing largely on prejudice against the United States.

In view of all the circumstances I conceived it to be my duty to have a full and free conference with the Yamên. I commenced by disclaiming any desire; or right, to interfere with the internal relations of China. I conceded that the only authority for the foreign minister to concern himself with the affairs of China was to be found in the treaties. So far as the officiae acts of the government touched the treaties they are proper subjects of comment.

I had been astonished to

learn

learn that some gentlemen of position took the ground that the establishment of a bank, through the agency of any foreigners, would be a monopoly prohibited by the treaties. There could be no doubt that China, like all other nations, had the right to create such fiscal agents as it pleased and use any class of men it chose as its intermediaries. Almost the exact question had arisen in the United States sixty years ago. The United States Bank, chartered by Congress, had been attacked as a monopoly. But the Supreme Court sustained the power to create the Bank.

I did not ~~assume~~ the right to speak for the Americans who were said to have made the contracts with the Viceroy, but I did think it proper for me to notice some of the charges, which were so generally made in China, which affected my country. The charge that the proposed transactions would reduce China to the financial condition of Turkey, Egypt and Peru was freely made. Such a charge was derogatory to the dignity of China. It was absurd to compare this country with either of those named. The allegation that a protectorate would result was ridiculous.

The

The fundamental principle of our government was not to interfere with the affairs of foreign nations and not to permit them to interfere on our hemisphere.

That no political complication could possibly arise out of mercantile transactions by Americans abroad. That the government did and would take no part in such transactions. That our country deserved well of China. We were a good customer. We bought annually nearly twenty millions of dollars in value of goods from her and sold to her only seven millions in value. There were few Americans in the service of China. That our business

experience

experience, the great wealth of the country and our form of government were all points in favor of close business relations between the two countries.

That while I was not personally acquainted with the gentlemen who were dealing with the Viceroy, I did know that their reputation was good. That, no doubt, the Chinese Minister at Washington knew all about these men and if they were not men of character for wealth and probity he would long since have so informed the Imperial Government. That the Viceroy was to be presumed

to

to have made proper enquiries as to the persons with whom he was dealing.

I stated that all the attacks made on these men were made by intercepted rivals in business.

The foregoing is an outline merely. The Prince and Ministers recognized the propriety of my so addressing them but said that they officially had nothing to do with the question. The Viceroy Li had the matter in charge. Newspapers were not to be believed. That they were of the opinion that Li would not succeed in establishing a bank, that the officials and the people were opposed to the plan.

It is to be remarked, however, that one year ago Prince Ching used this identical language relative to railroads. Yet two railroads are being built today in China.

It is understood that Prince Chun is acting with Li. The Marquis Têng is said to be mildly opposed to him.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

No. 462.

Legation of the United States.

Peking September 29th 1887.

2D ASSISTANT SECRETARY.
Copy to Treasury.
Ack accordingly
NOV 28 1887

Dec 2
Dec 2 Cnsls

Mr. Denby to the

Secretary of State.

Subject.

Proposed visit to the United States of two Chinese officials.

Synopsis.

The Minister requests that orders be issued to facilitate their landing at San Francisco.

№ 462.

Legation of the United States.

Peking, September 29th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I had the honor to report in my despatch № 443, of Aug. 26th, that the Chinese Government had deputized Mr. Fu Yün Lung and Mr. Ku Hou Kun to visit the United States for the purpose of acquiring information as to the country and people and particularly as to the arts and sciences.

There

These gentlemen called on me today. They appear to be men of refinement, culture and education. I gave them an official statement showing that they were entitled, under Section 13 of the last Exclusion Act, to enter the United States without a certificate on presentation of their credentials. I gave them also a general letter of introduction and a special letter to Mr. Irving M. Scott, the Manager of the Union Iron Works at San Francisco. I regard their mission as interesting and as likely to result in the increase of trade in manufactured articles.

I have the honor to

suggest

suggest that orders should be issued to the officials at San Francisco: so that there shall be no undue detention of these visitors.

They will reach San Francisco some time next spring.

I have the honor to be,

Sir.

Your obedient servant,

Charles Denby

file for present

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

No 463.

Wm Everitt
S

Legation of the United States.
Peking, September 29th 1887.

Mr. Denby to the
Secretary of State.

Subject.
The relation of China to Corea.

Synopsis
The report of the order of the Tsung-li Yamên as to the conduct of the Corean Ministers lately appointed to foreign countries.

No 463.

Legation of the United States.

Peking September 29th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to report that it is understood here that the Tsung-li Yamên has notified the King of Corea that the latelly appointed Corean Ministers shall be treated as representing a power vassal to China. They are directed to be introduced at foreign courts and their credentials

to

to be presented by the Envoys of His Imperial Chinese Majesty. The forms of addressing the Chinese Ministers are also prescribed, being indicative of inferiority. It is said that the Corean Ministers resigned when they learned of these orders.

It is not probable that you are in need of any information as to Corean matters, but it may be of service to call attention to an able article on Corea which appeared in the London Times of September 3rd. The vacillation of China in her treatment of Corea is set forth accurately and the disastrous

results

results; which built up a Russian, Japanese and Chinese faction are well described.

I need only say that the conduct of Viceroy Li, the bearing of his Minister Resident at Seoul — so called in imitation of the title of British officers in India — and the late orders of the Yamên plainly indicate that China regards herself as the suzerain of Corea.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

No 464. acted. Dec 1 87 Cir Cor.

Wm Everett 28.

Legation of the United States.

Peking, September 29th 1887.

Mr. Denby to the

Secretary of State

Subject

Third installment of the Chung-king indemnity paid.

No 464.

Legation of the United States.

Peking, September 29th 1887.

PRINTED
FOREIGN RELATIONS
1888

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to report that the third installment of the indemnity fund (Taels 6000) to the American Missionaries was paid to Mr. Cockburn, Her Britannic Majesty's Consular Agent at Chungking, the 3rd inst. His sum has been placed by Mr. Cockburn in the Hongkong and Shanghai Bank

Bank at Hankow to the
credit of Dr Crews.

I have the honor to be,
Sir,
Your obedient servant,
Charles Denby

Mr Everett

Separate. One enclosure.

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

Legation of the United States.
Peking, October 3d, 1887.

W. F. S. Sherman

to the

Secretary of State

Subject

Account for boxes

by Exchange for

third quarter 1887.

Diplomatic. One enclosure.

Legation of the United States.
Peking, October 3rd, 1887.

Honorable Thomas F. Bayard.
Secretary of State
Washington.

Sir:—

I have the honor to hand you enclosed a statement of my account for bonus paid by Exchange for the third quarter 1887.

I have the honor to be,
Sir,
Your obedient servant
F D Chenkin

Enclosure 1-
Statement as above.

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED

Mr Everett
28

Separate. One enclosure.

Legation of the United States
Pekin, October 3rd, 1887.

Wm. F. D. Chambers
to the
Secretary of State

Subject
Transmitting Salary
Account.

Separate. One Enclosure.

Legation of the United States.
Peking, October 3rd, 1887.

Honorable Thomas F. Bayard.
Secretary of State
Washington.

Sir:—

I have the honor to hand you enclosed a statement of my Salary Account for the quarter ending the 30th of September 1887.

I have the honor to be,
Sir,
Your Obedient Servant
F. D. Chesebro'.

Enclosure 1. Statement as above.

Mr Everett
25

No 465. One enclosure.

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

Legation of the United States.
Peking, October 3d, 1887.

Mr. Charles Denby
to the
Secretary of State

Subject.

Transmitting Minister's
Salary Account for
3d Quarter 1887.

½

No. 465. One enclosure.

Legation of the United States.
Peking, October 3d, 1887.

Honorable Thomas F. Bayard
Secretary of State
Washington.

Sir:—

I have the honor to transmit
herewith a statement of my
465. salary Account for the Quarter Ending
September 30th, 1887.

I have the honor to be,
Sir,
Your Obedient Servant
Charles Denby

Enclosure 1.
Statement as above.

Mr Everett
28

No 466. Mrs Endorsement.

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

Legation of the United States.
Peking, October 3d, 1887.

Mr. Denby.

to the

Secretary of State

Subject.

Account for Loans
by Exchange, third
Quarter 1887.

No 466. One Enclosure.

Legation of the United States.

Peking, October 3d, 1887.

Honorable Thomas F. Bayard

Secretary of State

Washington.

Sir:—

I have the honor to transmit

466. You enclosed a statement of my account for losses by Exchange for the Quarter Ending September 30th, 1887.

I have the honor to be,

Sir,

Your obedient servant

Charles Denby

Enclosure 1.

Statement as above.

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

No. 467.

Legation of the United States.

2D ASSISTANT SECRETARY.
acted Mr's view
matter accepted
NOV 28 1887

Peking October 3rd 1887.

Dec 1 87 Cortes

Mr. Denby to the

Secretary of State.

Subject.

A military escort.

Synopsis

Emphatic disapproval thereof.

No 467.

Legation of the United States.

Peking October 3rd 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I have the honor to state that I emphatically disapprove of the suggestion lately made in various publications that a military escort should be furnished to this Legation.

Such a retinue does not accord with my views of proper republican simplicity, is not needed here and would serve

no

no good purpose.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

No 468.

Mr Lowell
29

Legation of the United States.

2D ASSISTANT SECRETARY.
Ack Dec. 1. 87
NOV 28 1887

Peking October 3rd 1887.

Mr. Denby to the

Secretary of State.

Subject.

The Philadelphia Syndicate.

Synopsis

Imperial Government has refused to ratify the Viceroy Li's contract with the Syndicate.

№ 468.

Legation of the United States.

Peking October 3rd 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to inform you that the Imperial Government has refused to ratify the agreement made by the Viceroy Li with the Philadelphia Syndicate to establish a Chinese-American Bank in China. This result is due to the opposition of the Marquis Tseng, the officials and the people.

It illustrates the fact that the power of the Viceroy is not supreme in China. Coming so soon after a similar experience with General Wilson, it will teach Americans that, in making contracts awarding franchises, it is necessary to secure ratification by the Imperial Government.

The Viceroy Li now proposes that the Syndicate shall immediately establish an American Bank in Tientsin. He will give it, he says, all his business. He does not despair that the opposition to his plans may be overcome and that ultimately the projected bank may be

established

established.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

No 469.

Legation of the United States.

Peking October 5th 1887.

2D ASSISTANT SECRETARY.
Ack by No. & file
NOV 28 1887

Mr. Denby to the

Secretary of State.

Subject.

Emperor's approaching marriage.

Synopsis

Taels 8.500,000 ordered to be raised for the ceremonies of the Emperor's coming marriage

No 469.

Legation of the United States.

Peking, October 5th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

The Empress has commanded that the strictest economy shall be practiced in the ceremonials at the approaching maniage of the Emperor. The officials have accordingly reported that the smallest possible amount is Taels 8,500,000. This sum is ordered to be raised as follows; Taels 2.500,000 by the Board of

Rites

Rites and Works and taels
6,000,000 by the Treasuries of the
various provinces.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

No. 470.

Legation of the United States.

Peking, October 6th 1887.

Mr. Denby to the

Secretary of State.

Subject

The telegraph system of China.

Synopsis.

An account of the proposed new arrangement.

Copied November 1887

T.

See Vol 25
Cons-Ref- p 160

No 470.

Legation of the United States.

Peking October 6th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

The representatives of the Great Northern Telegraph Company, of Copenhagen, and the Eastern Extension Australasia and China Telegraph Company (Limited), are here seeking the ratification by the Imperial Government of an agreement lately made with the Imperial Chinese Telegraph Administration.

There

These two foreign companies have devided the territory in China. The Great Northern has stations at Shanghai, Foochow Amoy and Hongkong. The Eastern Extension also has a station at Hongkong. Neither company does any business with the interior. The lines of the Great Northern are exclusively cable, of which it has about two thousand miles. Its cable runs from Shanghai down the coast and to Japan and thence to Vladivostock. The Eastern Extension lines go to Europe through British India.

Telegraphing to and from the interior is done over the Chinese

Chinese lines, part of which is owned by the Government and part by stock companies. China has at present no connection with any foreign line. Under the existing arrangement the Chinese Telegraph Administration receives 50^{d} per word for each word sent abroad from the interior, under the new arrangement it would receive 70^{d}. The two Companies charge cable rates although most of the service is by land.

The "Chefoo Convention" - as the late agreement is called - sets forth that the Chinese Telegraph Administration intends to connect its system with the

the telegraph lines of adjacent countries, that the two companies have such connection and it is desirable "to avoid competition." It is, therefore, agreed that all the traffic exchanged between any part of China (excepting the three ports Shanghai, Foochow and Amoy) on the one side, and Europe (Russia excepted) and countries beyond Europe, on the other side, and vice versa, transmitted by the land lines of the Chinese Administration, whether viâ the land frontiers, or viâ the cables of the two companies, shall belong to the Administration.

For the traffic above named the

Administration shall fix a terminal rate of six francs and fifty centimes a word which shall belong to it. The like rate shall be fixed for all traffic exchanged by the land lines of the Administration via the land frontier between Hongkong, Amoy, Foochow and Shanghai, on the one side, and Europe (Russia excepted) and countries beyond Europe, on the other side, which shall belong to the two Companies, subject to the payment of ten per cent of the receipts of the Companies, as hereinafter specified.

The Companies shall fix their proportion of the tariff on

Traffic

traffic exchanged between Hongkong, Amoy, Foochow and Shanghai, on the one side, and Europe, and countries beyond Europe, on the other, and vice versâ, by their direct cable routes viâ Russia (Siberia) and viâ India, at five francs fifty centimes per word, which shall belong to the Companies, subject to the above mentioned ten per cent payment.

The proceeds of all traffic exchanged, whether by the cables of the Companies or by the land lines of the Administration, between Hongkong, Amoy, Foochow and Shanghai, on the one side and Europe (Russia excepted)

and

and countries beyond and
vice versâ, shall belong to the
Companies, who shall pay to
the Administration ten per
cent of their proportion of this
traffic. When the land lines
are interrupted not exceeding
sixty days the traffic may go
over the cables without charge.
I do not give minor details.

The Administration shall
fix the charge of five francs
fifty centimes for all traffic out
of China. Government telegrams
shall pay full rates and no
percentage shall be allowed
thereon.

The tariffs and payments
fixed by the agreement shall
not

not be changed unless by mutual consent.

The parties shall do all in their power to prevent transmission at cheaper rates than the through rates, by any person or corporation, and neither party shall be interested in any other company by sea or land, to the detriment of either party.

The cables shall not be extended to any place in China or Corea without the consent of the Administration but existing land rights shall be preserved.

The agreement is to take effect from the day that

the

the Administration shall connect their land lines with the telegraph lines of any adjacent country in telegraphic communication with Europe and shall be in force until 19th May, 1903.

The substance of this agreement is that China will receive about $150,000, per annum, more than she now gets. The main advantage to the two Companies is that during sixteen years there will be no serious competition.

There is no principle of monopoly in this agreement as there was in the agreement of 1881; which the foreign

ministers

ministers vigorously denounced. Any person or corporation, so far as this agreement shows, may lay cables to China from any part of the world. But the two Companies are rich and consider that, by cutting rates, they can kill foreign competition.

Omit

[The English and Russian Ministers, representing the two Companies by nationalities, are pressing the ratification of this agreement. The German Minister opposes it, but not very conspicuously.]

I have not interfered in the matter in any way. As long as the contracts entered into by China contain no clause

prohibiting

prohibiting foreigners from
engaging in public enterprises,
I take it for granted that
my countrymen will be able
to take care of themselves
when the time for action comes.

The Marquis Tseng opposes
the ratification [as he does
most concessions to foreigners.]
His view is that, in matters
of public franchises, China
should retain them for herself
and her people. [Possibly that
is correct statesmanship but it
postpones for many a long day
the real "awakening" of China.]

omit

omit

The rates fixed in the
agreement contain a slight
concession to the general public,
There

there being a reduction of
50¢ per word. But the foreigners
are not satisfied with this
reduction and demand that
the price be fixed at one dollar.
The managers take the ground
that no man telegraphs except
when compelled to and that
business would not be increased
if the rate were reduced to
one dollar.

I have the honor to be,
Sir,
Your obedient servant,
Charles Denby

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

Mr Everett
28

No 471. One enclosure.

Legation of the United States.
Peking, October 6th, 1887.

Mr. Charles Denby
to the
Secretary of State

Subject
Contingent Expenses
third Quarter 1887.

No 471 One enclosure.

Legation of the United States.
Peking, October 6th, 1887.

Honorable Thomas F Bayard
Secretary of State
Washington.

Sir:—

I have the honor to hand you enclosed a statement of my account for Contingent Expenses for the quarter ending September 30th, 1887.

I have the honor to be,
Sir,
Your Obedient Servant.
Charles Denby

Enclosure 1. Statement as above.

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

Acknowledge & copies circular of Dec 10. sent Dec 14th Cir Ltr

Dft Clair

No 472.

Legation of the United States.

Peking October 6th 1887.

Circular issued Dec 10. 87 L L

Mr. Denby to the

Secretary of State.

Subject.

Form of official correspondence between Minister and Consuls.

Synopsis.

Suggestion that the form of address and conclusion of despatches from Minister to Consul, and vice versâ, be prescribed.

№ 472.

Legation of the United States.

Peking, October 6th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to suggest that in the next edition of the Instructions to Diplomatic and Consular Officers there be inserted a provision fixing the forms of correspondence between Ministers and Consuls and vice versâ.

In this jurisdiction the Minister is sometimes addressed

as

as "Hon" and sometimes as "Esq", sometimes with his title in full and sometimes with abbreviations. The conclusions of communications are ales various.

For the sake of neatness, simply, I suggest that forms be prescribed.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

Mr Everett
28

No 473. One enclosure.

Legation of the United States.
Peking, October 7th, 1887.

Wm Charles Denby
to the
Secretary of State

Subject
Return of Passports for
the Quarter Ending the
30th of September 1887.

W C D

No 493. Orig Enclosure

Legation of the United States.

Peking, October 7th, 1887.

Honorable Thomas F. Bayard

Secretary of State.

Washington.

Sir: —

I have the honor to hand

3. you enclosed my Return of Passports for the Quarter ending 30th of September 1887.

I have the honor to be,

Sir,

Your Obedient Servant

Charles Denby

Enclosure 1.

Return of Passports as above.

NATIVE.

No. 508 ISSUED, 4 July 1887

APPLICANT: Joseph A. Leyenberger

I hereby apply to the Legation of the United States at Peking for a passport for myself, ~~my wife and minor children,~~ as follows: J. A. Leyenberger born at Dunningsville, Penna on the 7th day of Dec. 1834 and

In support of the above application I do solemnly swear that I was born at Dunningsville, Penna on or about the 7th day of Dec. 1834 that my father is a naturalized citizen of the United States; that I am a native and loyal citizen of the United States, temporarily residing at Ihsien; China that I left the United States on the 24th day of Oct. 1865; that I am the bearer of Passport No. 369 issued by Jno. Russell Young on the 1st day of November 1884; and that I desire the passport for the purpose of residence at Ihsien, and traveling through the Provinces of Shantung, Kiang-su, Ho-nan and Chih-li.

OATH OF ALLEGIANCE.

Further, I do solemnly swear that I will support, protect and defend the Constitution and Government of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without mental reservation or purpose or evasion: So help me God.

J. A. Leyenberger

~~LEGATION~~ Consulate OF THE UNITED STATES AT Chefoo.

Sworn to before me, this 20th day of June 1887

N. W. Halcomb,
Acting Vice Consul.

DESCRIPTION OF APPLICANT.

AGE: 52 years.	MOUTH: Medium
STATURE: 5 feet 7½ inches.	CHIN: Bearded
FOREHEAD: Broad	HAIR: Iron Gray
EYES: Gray	COMPLEXION: Fair
NOSE: ordinary	FACE: Round

IDENTIFICATION.

Chefoo June 27th 1887

I hereby certify that I know the above named J. A. Leyenberger personally, and know him to be a native born citizen of the United States, and that the facts stated in his affidavit are true to the best of my knowledge and belief.

Hunter Corbett

U.S. CONSULATE GENERAL
SEP
5
1907
SHANGHAI, CHINA

NATIVE.

No. 509 ISSUED, 12 September 1887

APPLICANT: Jos. C. Thomson M. D.

I hereby apply to the Legation of the United States at Peking for a passport for myself, my wife and minor children, as follows: Jos. C. Thomson born at Cincinnati Ohio on the 10th day of April 1853 and Agnes Bonnie (wife) George (5yrs) Annie (3), Oscar (1st) (children) —

In support of the above application I do solemnly swear that I was born at Cincinnati O. on or about the 10th day of April 1853 that my father ~~is~~ when living was a native citizen of the United States; that I am a native and loyal citizen of the United States, temporarily residing ~~at~~ in the Prov. of Kwangtung that I left the United States on the 25th day of October 1886; that I am the bearer of Passport ~~No.~~ ——— issued by U. S. Legations on the ——— day of ——— 18— ; and that I desire the passport for the purpose of protection as a Medical Missionary of the American Presbyterian Mission in the Provinces of Kwang-tung, Kwang-si and Hunnan.

OATH OF ALLEGIANCE.

Further, I do solemnly swear that I will support, protect and defend the Constitution and Government of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without mental reservation or purpose or evasion: So help me God.

Joseph Clarke Thomson

~~LEGATION~~ Consulate OF THE UNITED STATES AT Canton China

Sworn to before me, this 27th day of May 1887

DESCRIPTION OF APPLICANT.

AGE:	34 years.	MOUTH:	medium
STATURE:	5 feet 8 inches.	CHIN:	sharp
FOREHEAD:	low	HAIR:	dark
EYES:	blue	COMPLEXION:	dark
NOSE:	medium	FACE:	long

IDENTIFICATION.

Canton China May 27 18 1887

I hereby certify that I know the above named Dr. Thomson personally, and know him to be a native born citizen of the United States, and that the facts stated in his affidavit are true to the best of my knowledge and belief.

Charles Seymour

Original

NATIVE.

No. 510 ISSUED, 12 September 1887

APPLICANT: John G. Kerr M.D.

I hereby apply to the Legation of the United States at Peking for a passport for myself, my wife and ~~minor children~~, as follows: ~~Elsie Daughter~~ born ~~at~~ ~~on the~~ ~~day of~~ ~~18~~ ~~and~~

In support of the above application I do solemnly swear that I was born at Adams Co Ohio on or about the 30th day of November 1824 that my father is a Native citizen of the United States; that I am a native and loyal citizen of the United States, temporarily residing at Canton, China that I left the United States ~~on the~~ day of August 1885; ~~that I am the bearer of Passport No.~~ ~~issued by~~ ~~on the~~ ~~day of~~ ~~18~~; and that I desire the passport for the purpose of attending to my professional duties as Medical Missionary of the American Presbyterian Society

(acting as a doctor)

OATH OF ALLEGIANCE.

Further, I do solemnly swear that I will support, protect and defend the Constitution and Government of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without mental reservation or purpose or evasion: So help me God. J. G. Kerr

Consulate

~~LEGATION~~ OF THE UNITED STATES AT Canton

Sworn to before me, this 25 day of July 1887

Charles Seymour U.S. Consul

DESCRIPTION OF APPLICANT.

AGE: 63 years.
STATURE: 5 feet 8 inches.
FOREHEAD: high
EYES: Grey
NOSE: Straight & medium
MOUTH: Medium & good
CHIN: Round & full
HAIR: Grey & White mostly
COMPLEXION: Fair
FACE: Long

U.S. CONSULATE CANTON 1887 CONSUL

IDENTIFICATION.

I hereby certify that I know the above named John G. Kerr M.D. personally, and know him to be a native born citizen of the United States, and that the facts stated in his affidavit are true to the best of my knowledge and belief.

Charles Seymour
U.S. Consul

1

NATIVE.

511 ISSUED. 12 September 1887

APPLICANT: Rev. Henry V. Noyes

I hereby apply to the Legation of the United States at Peking for a passport for myself, ~~my wife and minor children, as follows:~~ born at ~~on the day of 18 and~~ for the 3 Provinces of Kwang-tung, Kwang-si and Hunan in China

In support of the above application I do solemnly swear that I was born at Wadsworth, Medina Co, Ohio on or about the 24 day of April 1836 that my father is a native citizen of the United States; that I am a native and loyal citizen of the United States, temporarily residing at Canton, China; that I left the United States on the 3 day of February 1866; that I am the bearer of Passport No. 441 issued by Hon J. R. Young, on the 8th day of December 1884; and that I desire the passport for the purpose of attending to my duties as a Missionary of the American Presbyterian Mission

OATH OF ALLEGIANCE.

Further, I do solemnly swear that I will support, protect and defend the Constitution and Government of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without mental reservation or purpose or evasion: So help me God. Henry V. Noyes

Consulate OF THE UNITED STATES AT Canton, China

Sworn to before me, this 2nd day of August 1887

U.S. CONSULATE CANTON — Charles Seymour, Consul, W. Mansfield

DESCRIPTION OF APPLICANT.

AGE:	51 years.	MOUTH:	medium
STATURE:	5 feet, 11 inches.	CHIN:	ordinary, having full beard
FOREHEAD:	high	HAIR:	black & gray
EYES:	brown	COMPLEXION:	dark
NOSE:	straight	FACE:	Square

IDENTIFICATION.

W. W. Consalet, Canton, China
August 2nd 1887

I hereby certify that I know the above named Henry V. Noyes personally, and know him to be a native born citizen of the United States, and that the facts stated in his affidavit are true to the best of my knowledge and belief.

U.S. CONSULATE CANTON — Charles Seymour, Consul, W. Mansfield

Native

No 512 Issued 188

Applicant Rob't Hunter Corbett, Dec.

I hereby apply to the Legation of the United States at Peking for a passport for myself, ~~my wife and minor children as follows:~~

In support of the above application, I do solemnly affirm that I am a native citizen of the United States; that I was born at or near Leatherwood in the County of Clarion in the State of Pennsylvania, on or about the 8th day of December 1835; that my father's name is Ross M. Corbett; ~~that on the books of Passport No issued by on the day of 18 which is returned herewith;~~ that I am the identical person described ~~in the said passport~~; that I last left the United States on the 6th day of April 1887, on board the S.S. City of Peking, arriving in Chefoo the 21st day of May 1887; that I have resided in Chefoo since the 21st day of may 1887; that I am now temporarily residing in Chefoo China.

I

I desire the passport for the purpose of travel in the province of Shantung, China.

Oath of Allegiance.

Further, I do solemnly affirm that I will support, protect, and defend the Constitution and Government of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion. Hunter Corbett

Consulate of the United States at Chefoo
Sworn to before me this 6th day of September 1887.

N. W. Halcomb,
U. S. Vice Consul.

Description of Applicant:-

Age:	51 years	Mouth:	Large
Stature:	5 ft 11½ inches	Chin:	Regular
Forehead:	Medium	Hair:	Black
Eyes:	Black	Complexion:	Dark
Nose:	Ordinary	Face:	Oval.

Identification.

I hereby Certify that I know the above named Hunter Corbett personally; and know him to be the identical person he claims to be, and that the facts stated in his affidavit are true to the best of my knowledge and belief.

John L. Nevius

Natur.

No.

Issued 188

Applicant, Rev. George S. Hays.

I hereby apply to the Legation of the United States at Peking for a passport for myself, my wife and minor child as follows; Francis Elizabeth Hays, born at Chefoo on the 6th day of May 1887.

In support of the above application I do solemnly swear that I am a native citizen of the United States; that I was born at or near Canonsburg in the County of Washington in the State of Pennsylvania on or about the 22nd day February 1861; that my father's name was William Hays; that I last left the United States on the 30th day of September 1886 on board the S.S "Gaelic," arriving in Chefoo China, on or about the 6th day of November 1886; that I have resided in Chefoo since the 6th day of November 1886 or thereabout; that I am now temporarily residing in Chefoo, China.

I desire the passport for the purpose of travel in the Provinces of Shantung, Honan and Chili in the Empire of China.

Oath of Allegiance.

I further do solemnly swear that I will support protect and defend the Constitution and Government of the United States against all enemies foreign and domestic

domestic; that I will bear true fa
and allegiance to the same; that I ta
this obligation freely without mental r
ervation or purpose of evasion: So hel
me God

Geo. S. Hays

Consulate of the United States at Chefoo, China.
Sworn to before me this 7th day of Septem
1887.

N. W. Galesnib.
U. S. Vice Consul.

Description of Applicant.

Age: 26 years
Stature: 6 feet
Forehead: Medium
Eyes: Blue
Nose: Long
Mouth: Large
Chin: Sharp
Hair: Dark
Complexion: Fair
Face: Sharp

Identification

I hereby Certify that I know the above na
George S. Hays personally and know hi
to be the identical person he claims t
be, and that the facts stated in h
affidavit are true to the best of my
knowledge and belief.

Hunter Corbet

NATIVE.

No. ISSUED, 18

APPLICANT: John R Hykes.

I hereby apply to the Legation of the United States at Peking for a passport for myself, my wife and minor children, as follows: Arthur born at Kiukiang on the 14th day of Sept. 1881 and Ethel - D. 11 Jany 1883 — John 29 June 1886.

In support of the above application I do solemnly swear that I was born at Shippensburgh Pa. on or about the 9 day of Aug 1852 that my father is a native citizen of the United States; that I am a native and loyal citizen of the United States, temporarily residing at Kiukiang; that I left the United States on the day of Sept. 1873; that I am the bearer of Passport No. issued by US Legation on the day of 18; and that I desire the passport for the purpose of travelling in the provinces of Hupeh - Kiang si An wei and Kiang su.

OATH OF ALLEGIANCE.

Further, I do solemnly swear that I will support, protect and defend the Constitution and Government of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without mental reservation or purpose or evasion: So help me God.

John R. Hykes

Consulate General.
LEGATION OF THE UNITED STATES AT Shanghai

Sworn to before me, this 7th day of Sept 1887

Consul General

DESCRIPTION OF APPLICANT.

AGE: 35 years.
STATURE: 6 feet — inches.
FOREHEAD: High
EYES: Brown
NOSE: Straight -
MOUTH: Covered by beard
CHIN: D
HAIR: Dark
COMPLEXION: Fair
FACE: Oval

IDENTIFICATION.

Shai - Sept 6 1887

I hereby certify that I know the above named John R Hykes personally, and know him to be a native born citizen of the United States, and that the facts stated in this affidavit are true to the best of my knowledge and belief.

J. D. Tenney
Consul General.

Native.

Issued 188

Applicant, Rev. John L. Nevius, D.D.

I hereby apply to the Legation of the United States at Peking for a passport for myself and wife.

In support of the above application I solemnly swear that I am a native born citizen of the United States; that I was born at or near Ovid in the County of Seneca in the State of New York on or about the 4th day of March 1829; that I am the bearer of Passport No. 388 issued by Jno. Russell Young on the 24th day of January in the year 1885, which is returned herewith; that I am the identical person referred to in said passport that I last left the United States on the 26th day of Aug. 1882 on board the S.S. "City of Tokio" arriving in Chefoo on or about the 12th day of October 1882; that I have resided in Chefoo since the 12th day of October 1882; that I am now temporarily residing at Chefoo China. I desire the passport for the purpose of travel in the Provinces of Shantung, Chihli, Shansi, Shensi, Honan & Hupeh.

Oath of Allegiance.

Further, I do solemnly swear that I will support, protect and defend the Constitution and Government of the United States against all enemies, foreign and domestic

domestic; that I will bear true faith
and allegiance to the same; that I
this obligation freely without mental
reservation or purpose of evasion;
help me God.

John L. Stevens

Consulate of the United States of Chefoo
China

Sworn to before me on this 10th day
of September, 1887.

N. W. Halcomb,
U.S. Vice-Consul.

Description of Applicant.

Age. 58 years
Stature, 5 feet 8 inches
Forhead, high
Eyes, blue
Nose, large
Mouth, small
Chin, long
Hair, Grey
Complexion, fair
Face, round

I Certificate

Chefoo China, Sept: 10th 18

I hereby certify that I know the above-named
John L. Stevens personally and know him to
be the identical person he claims to be
and that the facts stated in his affidavit
are true to the best of my knowledge
and belief.

Henry J. Clark

NATIVE.

No. 1. ISSUED, 26th September 1887.

APPLICANT: Daniel Edward Osborne

I hereby apply to the Legation of the United States at Peking for a passport for myself, my wife and ~~minor~~ children, as follows: born at Belvidere Ohio on the 3rd day of August 1857 and

In support of the above application I do solemnly swear that I was born at Belvidere Ohio on or about the 3rd day of August 1857 that my father is a native and loyal citizen of the United States; that I am a native and loyal citizen of the United States, temporarily residing at Taiku, Shansi that I left the United States on the 23 day of August 1887; that I am the bearer of Passport No. 1240 issued by Dept. of State on the 7th day of August 1884; and that I desire the passport for the purpose of Residence at Taiku Shansi China.

OATH OF ALLEGIANCE.

Further, I do solemnly swear that I will support, protect and defend the Constitution and Government of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without mental reservation or purpose or evasion: So help me God.

D. E. Osborne.

Consulate

~~LEGATION~~ OF THE UNITED STATES AT Tientsin

Sworn to before me, this 26th day of Sept. 1887

C. C. Smithers

DESCRIPTION OF APPLICANT.

AGE:	30 years.	MOUTH:	large
STATURE:	5 feet 8 1/2 inches.	CHIN:	prominent
FOREHEAD:	high	HAIR:	brown
EYES:	blue	COMPLEXION:	light
NOSE:	large	FACE:	Moustache

Consul.

IDENTIFICATION.

_____ 18__

I hereby certify that I know the above named D. Edd Osborne personally, and know him to be a native born citizen of the United States, and that the facts stated in affidavit are true to the best of my knowledge and belief.

Charles D. Tenney

Oct 7- 473. Peking

Return of Passports for

No	Name	Date	Age	Height
508	J. A Leyenberger ✓	July 4	52	5. 7½
509	Dr. J. B. Thomson ✓	September 12	34	5. 8
510	Dr. J. G. Kerr ✓	" "	63	5. 8
511	H. T. Hayes ✓	" "	51	5. 11
512	Hunter Corbett ✓	" "	51	5. 11½
513	George D Kaye ✓	" "	26	6.
514	J. R. Hykes ✓	" 13	35	6.
515	J. L. Nevius ✓	" 20	58	5. 8
516	D. E. Osborne ✓	" 29	30	5. 8½

9 passports @ $5 each = $45.00

Legation of the United States
Peking, September 30th, 1887.

The Quarter Ending 30 September 1887.

Eyes	Nose	Hair	Face	Complexion
Gray	Ordinary	Gray	round	fair
Blue	Ordinary straight	dark	long	dark
gray	Ordinary	Gray	long	fair
brown	straight	dark Gray	square	dark
black	Ordinary	black	oval	dark
blue	long	dark	sharp	fair
brown	straight	dark	oval	fair
blue	large	Gray	round	fair
blue	large	brown	marked	light

Exd.

Charles Denby

United States Minister

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

acks mems
Dec. 3 1887
Cir. Gen.

No 474.

Mr Everett
28

Legation of the United States.

Peking, October 7th 1887.

Mr. Denby to the

Secretary of State

Subject.

Method of accounting for passport fees

№ 474.

Legation of the United States.

Peking October 7th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I have the honor to request that instructions be given me as to the remittance or accounting for of the money received for passports.

It has been variously accounted for by my predecessors. There are several modes by which it can be accounted for. It can be put to the credit of the contingent fund

fund and that much less
drawn for each quarter; or to the
salary account, or to the rent
account. It can be remitted by
bill of exchange, but that mode
involves loss to the Government.

It would seem that one of
the three modes above specified
should be adopted instead of
remitting money to the Department
to be again remitted to China.
I recommend that the sum
received for passports be credited
on the contingent account, which
is drawn in dollars while the
salary account is drawn in
pounds sterling.

I have the honor to be, Sir,
Your obedient servant,
Charles Denby

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

No 475. Mr Everett

29

Legation of the United States.

2D ASSISTANT SECRETARY.
Acted. Dec 2 by C. Coles
NOV 28 1887

Peking, October 7th 1887.

Mr. Denby to the

Secretary of State.

Subject

Duty on soft wood planks

Synopsis.

Correspondence with Yamên as to proposed change in tariff on soft wood planks enclosed.

Two enclosures.

No 475.

Legation of the United States.

Peking, October 7th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I have the honor to report that I have received from the Tsung-li Yamên the communication of which a copy is herewith enclosed. I enclose also a copy of my reply thereto.

1/75

2/75

You will perceive that the Yamên proposes to allow the specific import tariff on soft wood planks of one inch in thickness

thickness to remain 7 mace per 1000 sq. ft., and to tax all soft wood planks, under or over one inch in thickness, as unenumerated articles, five per cent. ad valorem. As the number of square feet contained in planks of any thickness can be ascertained by arithmetical calculation I fail to see how the proposed change can be reconciled with the treaty stipulation.

The treaty was agreed upon at Shanghai in November 1858 between the British Plenipotentiary and Chinese Commissioner and accepted by the Plenipotentiaries of France and the United States, and has been, heretofore, literally

Continued

construed so far as foreign imports are affected.

It is plain that the change from specific to an ad valorem tax increases the import duty. The most of the soft wood is imported from the United States but, as it is mostly consigned to merchants of other nationalities, all the ministers are interested in the question. They have refused to consent to the alteration proposed chiefly on the ground that the action of the Yamên is irregular. The opinion of the ministers is that it would be a bad precedent to allow the Yamên to alter a treaty and then ask that they consent

to

to the alteration. The proposed change should, in the opinion of the ministers, be submitted to them before any action had thereon. It would then be submitted to their respective governments for approval.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

Enclosure

1. Tungli Yamên to Mr. Denby,

No/ 111 Sept. 9th 1887.

2. Mr. Denby to Tungli Yamên

No 13 Oct 5th 1887.

Copy

Enclosure 1 in № 475.

№ 14/1887. Translation.

Foreign Office to Mr. Denby.

Sept. 9th 1887.

Your Excellency:

In the matter of the duty on soft wood planks, some time ago the Prince and Ministers had the honor to receive a note from Your Excellency to the effect that the levy of an ad valorem duty of 5% would be in contravention of treaty stipulations.

Upon the 31st of July the Yamên informed Your Excellency in an official despatch, of the reason of the modification having been made and requested your friendly support in the matter which is on record.

Later on the 8th of August Your Excellency sent the Yamên another communication wherein you expressed the hope that the (inconveniences complained of) might

might be remedied in some other manner than by altering the tariff, and that the notice issued making the alteration be withdrawn. etc.

The Hamên would observe that the tariff was framed under the treaty originally for the purpose of levying duties in accordance with its provisions, but at the present time, owing to the thickness of soft wood planks not being uniform and the different systems of collecting duties on them at the Customs Establishments, hence without actually altering the tariff the circumstances were taken under consideration and a slight modification made which China had a perfect right to do herself.

It is now proposed, however, that, for the present, the duty on softwood planks - imported or exported

exported – shall still be collected as per tariff, 7 mace per 1000 sq. ft. i.e planks 12 inches long 12 inches wide and 1 inch thick(?) but planks over 1 inch in thickness, or those under (lit. not the same as) 1 inch(?) in thickness, as the distinction is not made in the tariff, the duty of 7 mace cannot be levied, hence these shall be regarded as unenumerated articles, upon which an ad valorem duty of 5% import and export, shall be collected and a lekin duty of 2½%.

The adoption of this plan, for the present, is specially to meet Your Excellency's views that no alteration should be made in the tariff.

The question of having different systems in collecting duties on soft wood planks, the Yamên perceives to be fuel

of

of complications, and the Prince and Ministers are still desirous of consulting with Your Excellency and the other Diplomatic Representatives in Peking, with the view to arriving at a plan of collecting duties that would be just and equitable

In laying before Your Excellency the plan adopted for the present of collecting duties on soft wood planks, based upon their thickness as specified or not in the Tariff, as the case may be, the Prince and Ministers would thank you to cause the same to be made known to American merchants with instructions to obey and follow it to the end that uniformity may be attained.

Copy. Enclosure 2 in No 475

No 13/87

Mr. Denby to Tsung-li Yamên.

Oct. 5th 1887.

Your Imperial Highness
and Your Excellencies:

I have
the honor to acknowledge the
receipt of a communication from
Your Imp. Highness and Your Ex.
wherein you inform me that
for the present the duty on soft
wood planks, imported or
exported, shall still be collected
as per tariff, 7 mace per 1000
sq. ft., i.e planks 12 inches long
12 inches wide and 1 inch thick,
but planks over one inch in
thickness, or those under that,
as this distinction is not made
in the tariff, the duty of 7 mace
cannot be levied; hence these
shall be regarded as unenumerated
articles upon which an ad valorem
duty of 5%, import and export,
shall be collected and a lekin

duty

duty of 2½%.

You request me to make this change known to the American merchants. &c.

I am always anxious to comply with the wishes of Your Imp. Highness and Your Excellencies, but, as the tariff does not limit the specific duty of 7 mace per 1000 eq ft to planks of one inch in thickness, I have no authority to consent to that limitation.

I shall take great pleasure in consulting with Your Imp. Highness and Excellencies and my colleagues with the view of arriving at a plan of collecting duties that would be just and equitable and will promptly submit such conclusion to my Government.

Have etc.

(sig'd) Charles Denby

To His Imp Highness and
etc etc etc

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

No 476.

Mr Everett
29

2D ASSISTANT SECRETARY.
Ack by No. & file
NOV 28 1887

Legation of the United States.

Peking, October 7th 1887.

Mr. Denby to the

Secretary of State.

Subject.

Chinese obstruction to Corean Mission

No 476.

Legation of the United States.

Peking, October 7th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to acknowledge the receipt today of your cipher telegram of the 6th inst. directing me to express your surprise and regret at the Chinese obstruction to Corea's sending a Minister to the United States as provided by treaty.

I have complied with your instructions

instructions to that effect.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

Mr Everett's
28

No 477. One enclosure.

Legation of the United States.
Peking, October 10th, 1887.

Mr. Charles Denby.
to the
Secretary of State

Report
Rent Account 3d
Quarter 1887.

No 477 One enclosure.

Legation of the United States.

Peking, October 10th, 1887.

Honorable Thomas F. Bayard

Secretary of State

Washington.

Sir:—

I have the honor to enclose a statement of the rent account of this legation for the quarter ending the 30th of September 1887.

I have transmitted to W. R. S. Williams a draft for $566.95 (say $600. less $33.05) as per instructions, and have also drawn my draft upon you for $150.— to cover amount due 9c of repairs for said quarter.

I

I deducted the amount of $ 33.05, accumulation by Exchange, as shown by account rendered 30th June last, in order to clear up the balance from account under old lease.

I have the honor to be,

Sir,

Your obedient servant

Charles Denby

Enclosure 1.

Statement as above.

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

Dept Summ
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No 478.

Legation of the United States.

Peking, October 10th 1887.

Mr. Denby to the

Secretary of State.

Subject.

Mob violence against missionaries at Kwai Ping.

Synopsis

Mrs Fulton and others driven from Kwai Ping. Observations on intemperate zeal. Directions to Kwai Ping alone.

№ 478.

Legation of the United States.

Peking, October 10th 1887.

PRINTED
FOREIGN RELATIONS
1888

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I have to report that the Presbyterian Missionaries at Canton endeavored, in the early part of September, to re-establish their mission post at Kwai Ping, in the Province of Kwang Si. This [is] the same place from which they were driven May 6th 1886.

On this occasion Mrs. Fulton,

wife

wife of Rev. A. A. Fulton, his sister Miss Fulton – a physician – and two children, were driven away by the mob. They did not suffer personal injury, but missiles were thrown against their boat and abusive language uttered. Some of the Chinese residents received them kindly, but, owing to the violence of the mob, it was deemed best to withdraw. During the voyage down the river one of the boats was wrecked. It was immediately looted by robbers. Valuables and passports were carried away and the remaining property was destroyed. The loss amounted to two hundred

or

or three hundred dollar in
value. The Consul will present
a claim for damages to the
local authorities.

Such wrongful proceedings
cannot be too severely condemned.
I cannot forbear, however,
saying that I view with regret
and reprehension the intemperate
zeal which insists on a dangerous
effort to effect missionary
lodgements in the interior, in
localities where great opposition
is met.

With the approval of yourself
and your predecessors this
Legation has continuously
announced the true construction
of the treaties to be that permanent

residence

residence in the interior is not secured; as matter of legal right, to the missionaries.

This declaration is qualified only by the assertion that, if other missionaries are allowed to locate in the interior, the same right would be claimed for the Americans, and if injuries followed a residence, which the authorities tolerated, redress would be demanded therefor.

In public and private utterances I have cheerfully testified that mission work accomplishes philanthropical and charitable purposes. I may go further and assert that

some

some compensation goes to the country of the missionaries in ethnological, philological, geographical, historical, commercial and literary information which these pioneers gather and transmit home. These considerations, however weighty, cannot be permitted to over-ride positive law, nor can they condone conspicuous acts of rashness.

It was announced in my hearing lately, at Peking, by a distinguished Bishop of the Methodist Church, that mission work in the United States was assuming the proportions of a crusade, and

That

that ere long there would be two thousand new missionaries in foreign fields. I too plainly understand that antagonism to such a movement, if even it be such antagonism were desirable, or if it came within the sphere of diplomatic duty, would only feed the sacred flame.

omit

I must, nevertheless, deprecate undue rashness, which serves only to embroil the two nations. I have, accordingly, in the language of the Scripture announced to Mr. Seymour that Kwai Ping "is joined to her idols, let her alone".

I have the honor to be, Sir,
Your obedient servant,
Charles Denby

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED.

No 479.

Wm Everett

Legation of the United States.

Peking, October 11th 1887.

2D ASSISTANT SECRETARY.
Ack by No. & file
NOV 28 1887

Mr. Denby to the

Secretary of State.

V

Subject

Destruction of Spanish settlement

at Ponapè

One enclosure.

No 479.

Legation of the United States.

Peking, October 11th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I enclose herewith a clipping from the North China Daily News, of October 4th, describing the destruction of the Spanish settlement at Ponapé, the capital of the island of Ascencion.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

closure
1. Clipping as above

Enclosure 1 in No 479.

Ponapé, the capital of the island of Asuncion and of the Eastern Carolines, has been attacked by the natives, and the Spanish settlement destroyed, some thirty to fifty Europeans being massacred. It will be remembered as having been the scene of the outrage on the Rev. Mr. Doane, of which we gave particulars not long since. It appears that the transport *St. Quintin* left Manila for Ponapé early in August, with supplies and reliefs for the garrison, and the Rev. Mr. Doane, who was to be reinstated in his mission by order of the Governor-General of the Philippines. The *Donna Maria de Molina*, the corvette that was in Shanghai some seven years ago under the command of Captain Olleros, was lying at Ponapé as a depôt-ship; and when the *St. Quintin* arrived, her company were surprised to find the settlement razed, and the few survivors living on the *Donna Maria de Molina*. It appears that a few days after the last transport left the island, the Governor received news that a native attack was imminent. He sent an Ensign with twenty men to reconnoitre, but they were all killed but one, who returned with the news. The ladies, the Capuchin missionaries, and all the valuables in the settlement were sent off to the *Molina*, and the Residence was put in a state of defence. The rebels however were too strong for the remaining Spaniards, who then tried to get off to the ship, and were all cut down, the Governor, who fought on with five bullets in his body, with the Doctor, the Secretary, officers and men. The *St. Quintin* supplied the *Molina* with arms, men, officers and provisions, and then returned to Manila, and a Spanish squadron is to be sent to punish the insurgents.

DEPARTMENT OF STATE
NOV 25 1887
RECEIVED

No 480. Mr Everett

Legation of the United States.

2d ASSISTANT SECRETARY.
Ack by No. & file
NOV 28 1887

Peking, October 11th 1887.

Mr. Denby to the
Secretary of State.

Subject.
Proposed Siberian Railways.

No 480.

Legation of the United States.

Peking, October 11th 1887.

PRINTED
FOREIGN RELATIONS
1888

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

Copy to Min. to Russia 1887/1888

Referring to my despatch No 451, of date Sept. 9th, wherein I described the projected Siberian railway, I now have to state that eleven Russian railway engineers have arrived at Kongkong.

They will explore and survey the country between Vladivostock and Bouré, a place

place on the Ousouri river, a distance of sixty or seventy miles.

The Ousouri is a tributary of the Amoor. The ultimate design is to extend the railway first to Lake Baikal and thence to the borders of the Ural Mountains, where it will be connected with the railway system of Russia in Europe.

It is said that contracts have already been made to transport the staff, the rails and the rolling stock. This movement will prove of vast advantage to Vladivostock.

I have the honor to be, Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
DEC 3 1887
RECEIVED.

No 481.

Mr Everett
5

Legation of the United States.

Peking, October 12th 1887.

2d ASSISTANT SECRETARY.
Ack by No. + file
DEC 3 1887

Mr. Denby to the

Secretary of State.

Subject.

Modification in passport applications.

One enclosure.

No 481.

Legation of the United States.

Peking October 12th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to acknowledge the receipt of your despatch No 225, of Aug 24th, in reply to which I herewith enclose a copy of a circular that I have sent to the Consuls in obedience to the instructions therein contained.

I have the honor to be, Sir,

Your obedient servant,

Charles Denby

481

Enclosure:

1. Consular circular Oct 12th 1887.

Enclosure in No: 4

Circular.

Legation of the United State
Peking, October 12th 1887.

, Esquire
U. S. Consul,
,

Sir:

Owing to the difficulty an applicant for a passport experiences in China, at places remote from a Consular Officer, in executing the oath prescribed by the Honorable Secretary of State in his circular instruction of date February 23rd 1887, touching the granting of passports to American citizens in foreign countries, the following modification of existing regulations is made by his authority.

In those parts of China where there is no Consular Officer accessible, the form of the certificate will be as follows:

Form

Form

Of approved certificate for applicant.

I, the undersigned, do hereby certify and affirm that the matters stated in my application for a passport, of date .... are true, and that this statement shall, in all respects, be held and treated the same as if I had personally executed such application before a Consul of the United States

Signature .....

Witness .....

It is to be distinctly understood and required in all cases that the witness to the certificate above set out shall be known to the Consular Officer by good repute and by signature.

The above certificate will be executed in duplicate and the duplicates will be forwarded to this Legation with the duplicates of the application.

I am, Sir,

Your obedient servan

DEPARTMENT OF STATE
DEC 3 1887
RECEIVED.

No 482.

Mr Everett 5

Legation of the United States.
Peking, October 13th 1887.

Mr. Denby to the
Secretary of State

Subject.
China's claim to suzerainty over adjoining countries.

Synopsis.
The Mission from Nepaul to China and the assertion of suzerainty over Nepaul.

No 482.

Legation of the United States.

Peking, October 13th 1887.

PRINTED FOREIGN RELATIONS 1888

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

The suzerainty of China over the great territories surrounding the Empire is one of the most difficult and shadowy questions arising in eastern affairs.

It confronts you now in Korea. It confronted the French in Tonquin; the British in Upper Burma and Thibet. The claim of suzerainty by China might

be

be passed over as a harmless one display of arrogance, which time and information of internationas affairs may correct, but by reason of it China raises barriers against European trade.

It is well understood that the secret opposition of China to the opening up of trade communication with Thibet defeated Mr. Coleman Macauley's mission here a year ago. In the case of Upper Burmah China's claim to suzerainty lay dormant until Great Britain occupied Burmah. She then used it to defeat Mr. Macauley's plans, to secure the Hongkong

Opium

Opium Convention and the abandonment of Port Hamilton by Great Britain. She contrived ales to perpetuate her claim of suzerainty, by obtaining from the British Government a pledge that the decennial missions from Mandalay to Peking with presents to the Emperor should be continued. She insisted also that the head of the Burmese hierarchy and not a British official should conduct the mission.

This year she ostentatiously granted to Korea a remission of tribute for the coming year because of the poverty of that kingdom and her gracious

goodwill

goodwill toward it.

By refering to my despatch No 94, of date Feb. 17th 1886, it will appear that the Tsungli Yamên, under date of Feb. 16th 1886, enumerated, as some of the dependencies of China, Korea, Lewchew, Tongkin and Annam, Siam Burmah, Nanchang (the Laos country) Shoorkat; with the statement that these countries had all received an imperial patent, or title from China as dependent or tributary states. Besides these, it was stated that there are dependent territories included in the register or census of China, and as they

embrace

embrace an area of several tens of thousands of li it is no easy matter to state their names and boundaries seriatim.

Another illustration of this claim of suzerainty is now furnished in the case of Nepaul. The Emperor now claims to be the protector of this Himalayan hill state. A mission was sent from Nepaul to China. It first went to Lhassa, the capital of Thibet, where it was received with great distinction. It then proceeded to Peking carrying presents and a letter from the ruler of Nepaul to the Emperor. The letter is addressed by Ordeni, the King

of

of the Ghoorkas, "who humbly
"prostrates himself with nine
"obeisances before the throne
"of his great Majesty, whose
"fostering kindness is like
"the overspreading vault of
"heaven and the rays of the
"sun and moon, and whose
"benevolence is extended to a
"myriad kingdoms." The letter
contains much more of this
hyperbolical adulation. It is
dated Aug. 6th 1886. The
Emperor of China endorsed
on it "We have perused this
letter."

The Indian papers advise
that some understanding
should be come to with China

as

as to her claim of suzerainty over Nepaul and other British possessions. They view this claim with distrust and fear that serious difficulty may supervene if, at any time, the action of Great Britain as to her frontier possessions should be claimed as an infringement of the rights of China.

While I was writing this despatch a communication came from Mr. Dinsmore detailing the opposition of the Chinese Minister to the sending of a minister to the United States. Mr. Dinsmore informs me that the Chinese Minister claims that in our treaty

treaty with Korea "it is
"distinctly stated that Korea
"is the vassal state of China."
omit [Literally this is not true,
but] There is color for the
assertion in the remarkable
letter of the King of Korea
to the President of the
United States, which was
delivered to Commodore Shufeldt
during the negotiations May
15th 1882. (See Mr. Holcombe's
despatch to the Department
№133, June 26th 1882).

The first sentence is
this, "Chosen has been from
"ancient times a State tributary
"to China". But it is also
"claimed that the treaty is
made

made between equal States, and that the United States have nothing to do with the "various duties" to China.

"China cannot now be heard to object to the sending by Korea of Ministers abroad, because she consented that Korea should make treaties with the foreign powers. Nevertheless the condition is peculiar. Were Korea, preliminary to the making of a treaty, solemnly notifies the Power with which it treats, that it is tributary to China. . . . .

What restrictions, if any, on the intercourse with other powers the suzerain may impose are

omit

omit | are to be carefully considered.
I simply make the suggestion
as worthy of some consideration.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
DEC 3 1887
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Acked. Ft. Secretary
Dec. 15. 87
Cr. Dr
Lw Everett
15

No 483.

Legation of the United States.

Peking, October 18th 1887.

Mr. Denby to the

Secretary of State.

Subject

Mr. Mitkiewicz and the Legation.

Synopsis

His statement that he received no aid from the United States Consul and Minister.

No 483.

Legation of the United States.

Peking, October 18th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I notice in the New York Herald a statement from Count Mitkiewicz to a reporter that he succeeded in "gaining "all his points without any aid "from the United States Minister "or Consul".

The statement that he had no aid from Consul Smithers is, I believe, untrue. The statement that

that he had no aid from this Legation is proper matter of explanation in view of the magnitude of the alleged plans.

Count Mitkiewicz did not do this Legation the honor to notify it, or any of its members, of his plans or purposes in coming to China, of his progress or the alleged successful result of his visit. Without personal acquaintance, or correspondence, or information of the desires of this gentleman, I did not see how I could aid him, although very much inclined to do so. I took it for granted that he had

formed

formed his own plans, was purposely concealing them and desired to avoid all possible publicity. I did not feel warranted in obtruding into the private business of a gentleman who so persistently ignored the existence of the diplomatic representative of his adopted country.

Nevertheless, after his departure, when the matters in which he had been engaged were bruited in the newspapers, and they had assumed an international character, all the members of this Legation did everything that was possible to avert unfavorable

results

results at Peking.

We worked at a decided disadvantage, as we had no accurate information of the scope or conditions of the alleged contract, but we faithfully did what we owed.

If this Legation has been thus wantonly attacked in the moment of supposed victory it is likely that, as the scheme has temporarily fallen through, the attacks will become more vigorous. Absolute strangers may indulge in slur and innuendoes for political purposes, but no American, who has known me in China,

will

will accuse me of "apathy"
in forwarding his proper and
legitimate interest in a
manner consistent with public
duty. "

It was my dream in coming
to China to accomplish some
notable service to our commercial
and manufacturing interests.
I have had success in my
grasp but, without fault or
negligence of my own, it has
slipped away. " "

It is possible that if Count
Mitkiewicz had consulted
freely with the gentlemen
who have the honor to represent
the United States at Peking,
their advice would have proved

of

of some value.

Three things of paramount importance would have been suggested to him. They are, first, in no event give publicity to your plans; second, do not abuse or cast slurs upon the representatives of your country; third, rely on no contract as fixed and secure until it has been ratified by the Chinese Imperial Government.

You will recognize from my despatches that I have faithfully endeavored to furnish you all information that I could procure touching the plans of Count Mitkiewicz and

and that I have continually
testified to my appreciation
of them as I understood them,
and my warm desire to forward
them to a successful issue.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
DEC 3 1887
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file

No 484.

Wm Everett 3

Legation of the United States.

Peking, October 18th 1887.

Mr. Denby to the

Secretary of State.

Subject.

Acknowledging receipt of despatch.



№ 484.

Legation of the United States.

Peking, October 18th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to acknowledge the receipt of your despatch № 226 of the 30th August with enclosures.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

File

2D ASSISTANT SECRETARY.
DEC 3 1887

No 485. Mr Everett 5

Legation of the United States,
Peking, October 19th 1887.

DEPT OF STATE
DEC 3 1887
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Mr. Denby to the
Secretary of State.

Subject.

English views on Korea sending Ministers abroad.

Synopsis

An abstract of the publications in Chinese-English papers condemning this act of the Korean Government.

No 485.

Legation of the United States.

Peking, October 19th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

It may be of interest to inform you that the English-Chinese papers generally condemn the sending of Ministers abroad by Korea. It is claimed that this matter was suggested by the American and Russian Ministers for the purpose of securing the absolute independence of Korea, that

that independence would
ruin Korea and would
dangerously menace British
trade in the far East. Remarks
are made on the letters of
the King to the treaty powers
when the treaties were made
and China is criticised for
keeping them secret. The demand
for ministers is characterized
as "unjustifiable intermeddling".

These articles, no doubt,
represent the sentiments of the
British Government, which
desires that Korea shall
remain a dependency of China
for fear that Russia will
seize it, if it becomes
independent.

It is stated also that Korea has sent an official to apologize to China and that Mr. Denny will visit Peking for that purpose.

It is assumed, however, that China will consent to ministers being sent abroad by Korea under the condition that they shall be received as representatives of a state vassal to China.

It is recommended also that Great Britain establish an independent mission in Korea.

He Yamên has taken no notice of the protest against Chinese obstruction to sending

a

a minister to the United States
presented by your orders.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

Acted. Off. of the Secy. Dec. 15. 87. Cutler

No 486. 1 w Everett

DEPARTMENT OF STATE
DEC 3 1887
RECEIVED.

Legation of the United States.

Peking October 19th 1887.

Mr. Denby to the

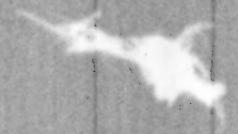
Secretary of State.

Subject

Charter of Chinese-American Bank.

Synopsis

Enclosed Bank Charter. Contract remains in force except as to Bank attention called to Article V.



One enclosure.

No 486.

Legation of the United States.

Peking, October 19th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I enclose herewith a clipping from the North-China Daily News purporting to be the Charter of the Chinese-American Bank. I am unable to say whether it is authentic or not.

I learn that the portion of the Tientsin contract which relates to the Bank was alone

suspended

suspended. The establishment of a private bank and the telephone concession are not affected by the action of the Imperial Government.

If clause X implies any responsibility of the Government for the acts of the bank managers or anything but the protection which governmental duty imposes, it will, no doubt, receive your attention.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

Enclosure.

1. "The Chinese-American Bank" N.C.D.N. Oct 11th 1887.

Enclosure 1 in No

THE CHINESE-AMERICAN BANK.

THE AGREEMENT.

The *Japan Mail* publishes the following translation from the *Nichi Nichi Shimbun*:—A special correspondent at Peking writes to us in the following terms as to the new Chinese-American Bank, under the date of September 8th:—

The present project really originated about three years ago, during the Franco-Chinese war, when Russell & Co. made an ostensible purchase of the vessels of the China Merchants' S. N. Co. At the time I speak of, Viceroy Li had become wearied of the smooth words and clever language of the various European Powers, and was favourably inclined towards the practical and peaceful policy of the United States, and the Americans were not slow to avail themselves of the advantages which this altered mood offered. In the fall of last year, two members of the firm of Russell & Co., on the pretext of a pleasure trip, visited Tientsin and Peking. Soon afterwards, in the beginning of this year, Count Mitkiewicz appeared on the scene and was successful in obtaining interviews privately with Prince Chun, Earl Li, and Ma Kie-chang at Tientsin, laying before them the main points of the scheme. In addition to this, the Chinese Minister at Washington conferred with the American Government on the same subject. At length, in the early part of July, Prince Chun privately presented to the Emperor a memorial prepared by Earl Li, and obtained the Imperial sanction, and as the result of this Ma has now gone to the United States.

I have been fortunate enough to obtain access to a copy of the agreement or treaty entered into between the contracting parties, and for the information of your readers I give a translation of its general points:—

ARTICLES CONTRACTED BETWEEN VICEROY EARL LI AND COUNT MITKIEWICZ FOR THE ESTABLISHMENT OF A BANK.

Art. I.—The capital of the bank, which will be named the China-American Bank, will be provided by Chinese and Americans and be supervised and safeguarded by the respective Governments.

Art. II.—The capital shall amount to 10,000,000 Mexican dollars, divided into 100,000 shares of $100 each, of which one-half, $5,000,000, will be held by the Chinese and the other half by the Americans.

Art. III.—In the United States, Mr. Vanderbilt will act as President, but a vice-president will be sent to China to attend to the business there, the rest of the officers of the Bank being appointed by the shareholders. On behalf of the Chinese shareholders, a president, vice-president, and officials will be appointed in precisely the same way, so that the rights and duties of both classes of shareholders shall be the same.

Art. IV.—The head office will in the first place be opened at Tientsin; a branch office will afterwards be established at Shanghai, and in course of time other branch offices will be opened at any place where they may be deemed necessary to meet the requirements or needs of either the Government or people.

Art. V.—Chinese and Americans applying to the Bank for loans will be treated on an equal footing, and must observe the proper procedure. The bank will do business upon terms the most favourable and convenient to the borrowers. The duration and extent of a loan will be fixed and determined according to the circumstances of the time.

Art. VI.—If a Chinese, after obtaining the approval of the Northern Superintendent of Trade, applies for a loan for any such purpose as railway construction, mining, laying of telegraphs, or for any other useful purpose aiming at the prosperity of the country, the bank shall comply with the request of the applicant and charge the lowest rate of interest on the money lent. In case also the Chinese Government should require a large sum of money, a loan will be given after the nature of the security has been fixed. Should the bank be entrusted with the supply of commodities, and it be found that the price or prices charged for these is not the cheapest, such price or prices shall be reduced to the lowest market rate.

Art. VII.—The Bank may mint either gold or silver coin under the sanction of the respective Governments, and in the case of paper money the amount issued must not exceed one half of the entire capital.

Art. VIII.—Funds required by the Chinese Government for employment in railway and mining enterprises will be advanced at the lowest possible rate.

Art. IX.—The shareholders will in the first place advance, by way of loan, to the Northern Superintendent of Trade, for one year without interest, the sum of $500,000; and shall also advance $1,500,000 to the Chinese Government.

Art. X.—Should difficulties arise with which the Bank may not be able to cope of its own competence these shall be dealt with by the respective Governments.

Art. XI.—Any Chinese or foreigner who applies at the head office for an ordinary loan shall be accommodated at a low rate of interest, and on the security of merchandise that will command a certain price in the market.

Art. XII.—The constitution and bye-laws of the Banks shall be according to the form of the constitution and bye-laws of American National Banks.

Riders.—As provided in Article II., the capital shall be raised at once, one-half in China and the other in the United States, and in the event of the Chinese portion being all raised while as yet the United States share is unsubscribed, the deficiency will be supplied by Mr. Vanderbilt, and operations will be at once commenced.

From the

North-China-Daily News

Oct 11th 1887.

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.

Sep.

Legation of the United States.

Peking, October 20th 1887.

Chas. Denby Jr. to the

Secretary of State

Subject.

Salary account.

Two enclosures.

Sep.

Legation of the United States.

Peking, October 20th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to enclose herewith my account for salary for quarter ending September 30th 1887, against which I have drawn my draft on Messrs Brown Shipley & Co. London, in the usual way.

Account for loss by exchange thereon is also enclosed.

I have the honor to be, Sir,

Your obedient servant,

Chas. Denby Jr.

Encloures
2 Accounts

DEPARTMENT OF STATE
DEC 3 1887
RECEIVED

Mr Everett 5

No 487.

Legation of the United States.

Peking October 20th 1887.

2D ASSISTANT SECRETARY
Ack as read with interest.
DEC 3 1887

aa & Dec. v. by Custer.

Mr. Denby to the

Secretary of State.

Subject.

The Portugese Mission to Peking.

Synopsis.

Delay of China in ratifying the Opium Convention. Disinclination to cede Macao to China. Some remarks on the mode of transacting business with the Yamên

№ 487.

Legation of the United States.

Peking, October 20th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington. D.C.

Sir:

Senhor Roza, the Portuguese Minister to China, has been here several months endeavoring to make a treaty which shall accurately define the political condition of Macao and settle other matters pending between the two countries.

He supposed, on his arrival, that a few weeks would suffice

to

to accomplish the purposes of his mission but the negotiations may be prolonged during the winter.

Senhor Roza appeared here by virtue of the convention of Lisbon, which was negotiated by Sir Robert Hart and the officials of the Imperial Maritime Customs. Diplomatic relations between Portugal and China are provided for.

Portugal has claimed Macao since 1536, but no formal cession has been made by China. Various unsuccessful efforts have been made by Portugal to obtain a formal recognition of her sovereignty over Macao.

Here

There seemed no prospect of
that end being attained until
the new opium convention was
made last spring. Hongkong
reserved the right to abrogate
this Convention should it prove
detrimental to the interest of
the Colony, but hitherto the
system of collecting duties on
opium at Hongkong seems to
have given satisfaction. The
consent of Macao to the
collection of opium duties
there was, of course, indispensable,
else Macao would have become
a vast smuggling depot. The
arrangement by which Macao
consented to become an
outlying duty collecting station

for

for China was certainly advantageous to China in view of the enormous sums to be collected on opium, estimated at sixty million taels yearly, the prevention of smuggling, not only of opium but also of arms, ammunition and other articles, and the strengthening of the Imperial Government by transferring to the Maritime Customs from the local authorities the collection of the duties on opium. This scheme, too, was supposed to be an entering wedge for the transfer to the Imperial Government of the collection of all duties, thereby strengthening that

Governme

Government.

You will see therein an analogy to our own system under which the Federal Government alone collects import and export duties.

That such an arrangement may tend to depreciate the importance of Macao and to hasten its decadence is true, but, by entering into it, Portugal expected to gain an absolute recognition of its title to Macao.

It is understood here that there is serious opposition to the consummation of this convention.

In this connection it is

proper

proper to remark, on the system of doing business prevailing here. The Yamên is composed of twelve members with Prince, Ching at the head. The members of the Yamên usually hold other important positions being Presidents or Vice-Presidents of one or more of the nine Boards. Sometimes a foreign minister will see three members sometimes more. Before the matter on consultation is decided it must be submitted to all the members. Thus it has to be gone over at second hand before those who were originally absent. Often the Minister must repeat

before

before those who were absent the statements made to those whom he saw at the beginning.

From this system result uncertainty, vacillation and delay. It is scarcely to be expected that any vigorous policy, foreign or internal, can prevail in a government so constituted, and administered, too, by men of very little diplomatic training and in an atmosphere of rivalry, jealousy and bickering natural to a country whose nominal head is a minor.

China has a notable example of the advantage of consolidating power in one man's hands

in

in the successful administration
of the Imperial Maritime
Customs by Sir Robert Hart.
If the same responsibility
and intelligence were
introduced into all branches
of the public service there
would be an immediate
improvement in governmental
affairs.

I have the honor to be,
Sir,
Your obedient servant,
Charles Denby

Acknowledged as per Mr. Adee's note

DEPARTMENT OF STATE
DEC 3 1887
RECEIVED.

No 488.

Mr. Everett
6

Legation of the United States.

2D ASSISTANT SECRETARY
Received
DEC 5 1887

Peking, October 20th 1887.

Mr. Denby to the

Secretary of State.

Subject.

Duty on soft wood planks.

One enclosure.

№ 488.

Legation of the United States.

Peking October 20th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to enclose herewith a translation of a communication from the Yamên on the proposed change of duty on soft wood planks. It is in answer to my last communication to the Yamên on the subject which is an enclosure in despatch № 475, Oct 7th.

Fro[illegible]

From this despatch it is difficult to ascertain exactly what conclusion the Yamên has reached. It would seem that, unless some other plan is proposed, they will adhere to their own.

The foreign ministers will agree to consider the question and submit it to their Governments after the Yamên rescinds all action looking to a change in the tariff and takes up the subject de novo and not before.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

Enclosure.

No 1 Yamên to Mr. Denby No 17 Oct 12th

Translation. Enclosure in No. 488.

Copy.

No. 17/1887.

Peking, October 12th 1887.

The Tsungli Yamên
to Mr. Denby.

Your Excellency:

Upon the 5th inst. the Prince and Ministers had the honor to receive a communication from Your Excellency in the matter of duties leviable on soft wood planks.

Your Excellency stated that as the tariff does not limit the specific duty of seven mace per 1,000 sq ft. to planks of one inch in thickness (i.e the term inch is not specified) you had no authority to consent to that limitation, it being an alteration of the tariff and that you would take great pleasure in consulting with the Prince and Ministers of the

Yamên

Yamên and your colleagues with the view of arriving at a plan of collecting duties that would be just and equitable, and submit such conclusion to your Government. +

The expression of these sentiments fully shows that in the transaction of business Your Excellency is governed by a friendly and amicable spirit which is extremely gratifying to the Prince and Ministers.

But as to the stipulation in the tariff regarding the duties on soft wood planks the Prince and Ministers would observe that the modus operandi of collecting these is not concisely and completely provided for and, for that reason the Yamên sometime ago, according to regulations, troops? to the matter into consideration and decided upon a plan. They still express the hope that Your

Excellency

Excellency will cooperate with them in the matter. Should Your Excellency, however, have any other plan that would be just and equitable the Prince and Ministers would be pleased to have you submit it in detail to the Yamên to the end that further consideration may be taken.

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED

No 489. The enclosure.

Legation of the United States.
Peking October 24th, 1887.

Mr. Charles Denby
to the
Secretary of State

Subject
Diplomatic Statement of
Salary Account for 3d
Quarter 1887.

No 489 One enclosure.

Legation of the United States.

Peking, October 24th 1887.

Honorable Thomas F. Bayard

Secretary of State

Washington

Sir:—

I have the honor to forward enclosed duplicate statement of my salary account for Third Quarter 1887.

I have the honor to be,

Sir,

Your obedient Servant

Charles Denby

Enclosure 1.

Duplicate statement as above.

No 490. One enclosure.

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.

Legation of the United States.
Peking, October 24th, 1887.

Mr. Charles Denby
to the
Secretary of State

Subject
Diplomatic Contingent
Expenses Account
for 3d Quarter 1887.

No 490. One enclosure.

Legation of the United States.
Peking, October 24th, 1887.

Honorable Thomas F. Bayard.
Secretary of State
Washington.

Sir:—

I have the honor to
1/490. transmit you enclosed duplicate
statement of my account for
Contingent Expenses for the third
Quarter 1887.

I have the honor to be
Sir,
Your obedient servant
Charles Denby

Enclosure 1.
Duplicate statement as above.

Have about 229?

No 491. DEPARTMENT OF STATE DEC 12 1887 RECEIVED.

copy of Sept 8. No 229 - Sept 8. 1887. already sent Oct 6

Legation of the United States.

Peking October 24th 1887.

Mr. Denby to the

Secretary of State.

Subject.

Acknowledging despatches.

No 491.

Legation of the United States.

Peking, October 21st 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I have the honor to acknowledge the receipt of your despatches numbered 227 of Sept. 5th, 228 of Sept 7th, and 230 of Sept 9th, 1887.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.

One Inclosure.

Legation of the United States,
Peking, October 25, 1887.

Mr. W. W. Rockhill to the
Secretary of State.

Subject
Salary account for 3rd Quarter
1887.

/ One Inclosure.

Legation of the United States,
Peking, October 25, 1887.

The Honorable
Thomas F. Bayard
Secretary of State
Washington. D.C.

Sir,

I have the honor to forward to you herewith my account for salary for the quarter ending September 30th 1887.

I have the honor to be,
Sir,
Very respectfully
Your obedient servant,
W. W. Rockhill

Inclosure.
1- Account for salary as above.

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.

One Inclosure.

Legation of the United States,
Peking, October 25th, 1887.

Mr. W. W. Rockhill
to the
Secretary of State.

Subject
Account for loss by exchange on
salary draft, 3rd quarter 1887.

/ One Inclosure.

Legation of the United States,
Peking, October 25th, 1888.

The Honorable
Thomas F. Bayard
Secretary of State
Washington. D.C.

Sir,

I have the honor to forward to you herewith my account for loss by exchange on salary draft for the 3rd quarter 1888.

I have the honor to be,

Sir,

Very respectfully
Your obedient servant,
W.W. Rockhill

Inclosure.

1- Account for loss by exchange.

Desp. 1 N
Dec 14 cipher

No 492.

Mr Covert
13

Legation of the United States.

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.

Peking, October 25th 1887.

Mr. Denby to the
Secretary of State.

Subject.

Claims of citizens of the United States pending at Canton.

Synopsis.

Consul Seymour transmits divers claims for prosecution at Peking. Directions asked as to whether the Minister should visit Canton to procure a settlement.

No 492.

Legation of the United States.

Peking, October 25th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to report that Consul Seymour has concluded that he cannot prosecute to a successful issue certain claims against the Chinese Government for indemnity for damages done to citizens of the United States. The Viceroy denies any liability under the treaties. There is a liklihood

that

that the present Viceroy, Chang Chih Tung, who is a notable obstructionist, will be removed shortly.

Mr. Seymour has sent these claims to me for prosecution here. Under instructions heretofore sent by you it is competent for me to present them, or the most of them.

The claims as set out by the Consul are the following:

Rev. A. A. Fulton	2301.28
Miss Mary K. Fulton M.D.	1596.20
Am. Presbyterian Mission	1381.32
D/ J. G. Kerr	220.00
D/ A. A. Fulton	170.00
The Baptist Mission Sacks "about"	160.
" " " " "	525.

The

The Presbyterian Mission Press "about" 118.0.0

" " " " " 100.0.0

The rules prescribed by the Department for the presentation of claims to a foreign Government have not been complied with in the preparation of these claims and they will all have to be returned to Mr. Seymour to be put in proper shape.

In my despatch No 455, of date Sept. 17th, I presented to you the question whether I should, in the coming spring, again visit the ports. The pendency of these claims at Canton adds another strong reason to those adduced by me in favor of the proposed trip.

This

This Legation has rarely presented any claim to the Yamên. The practice has been for the Minister, or some subordinate, to visit in person the locality in which the claims were pending and with the assistance of the Consul, who has all the papers, evidence and parties accessible, to urge a settlement. I varied from this practice in the Chungking case simply because there was no Consul neare than a thousand miles.

Claims presented to the Imperial Government are, in nearly every case, referred to the local authorities and

endless

endless correspondence and
delay ensue.

There claims are some of
them recent and some are five
or six years old. I strongly
incline to the opinion that a
direct effort should be made
by me to settle these claims
at Canton. If I fail they can
then be presented to the Imperial
Government.

I have instructed Mr. Seymour,
who is now in Japan on a
sixty days leave, to prepare
these claims in accordance
with the printed instructions,
which are enclosed to him,
and to await from me
information of your direction

to

to visit Canton for the purpose of procuring a settlement, or to present them to the Government at Peking.

These claims are for the destruction of buildings and personal property and for damages for violence and incidental damages.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

No. 493. One enclosure.

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.

Legation of the United States.
Peking, October 25th, 1887.

Mr. Sharles Denby
to the
Secretary of State
Subject
Duplicate Statement of
Rent Account for
3d Quarter 1887.

No 493. One enclosure

Legation of the United States.
Peking, October 25th, 1887.

Honorable Thomas F. Bayard
Secretary of State
Washington

Sir:—

I have the honor to transmit

1/493. your enclosed duplicate statement of the Rent account of this Legation for the third quarter 1887.

I have the honor to be,
Sir,
Your obedient servant
Charles Denby

Enclosure 1.
Duplicate statement as above.

No 494. One enclosure.

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.

Legation of the United States.
Peking, October 25th, 1887.

Mr. Charles Denby.
to the
Secretary of State

Subject.

Duplicate account
for Honor by Exchange
third Quarter 1887.

No 494. One enclosure.

Legation of the United States.
Peking, October 25th, 1887.

Honorable Thomas F. Bayard
Secretary of State
Washington

Sir:—

I have the honor to transmit

1/494. you enclosed duplicate statement of my account for bonds by Exchange for the third Quarter 1887.

I have the honor to be,
Sir,
Your obedient servant
Charles Denby

Enclosure 1.
Duplicate statement as above.

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.

No 495. One enclosure.

ASSISTANT SECRETARY.
Ack &c.
Send to M. Benedict.
DEC 12 1887

Legation of the United States.
Peking, October 25th, 1887.

W. Charles Denby.
to the
Secretary of State

Subject
Duplicate Return of Passports
for third Quarter 1887.

H. P. R

No 495. One enclosure.

Legation of the United States.

Peking, October 25th, 1887.

Honorable Thomas F. Bayard

Secretary of State

Washington.

Sir:—

I have the honor to

495 hand you enclosed duplicate Return of passports issued during the Quarter Ended the 30th ultimo.

I have the honor to be,

Sir,

Your obedient Servant

Charles Denby

Enclosure 1.

Duplicate Return as above.

Return of Passports for

No	Name	Date	Age	Height
508	J. H. Heynbergen	July 4	52	5. 7½
509	Dr. J. B. Thompson	September 12	34	5. 8
510	Dr. J. G. Kerr	" "	63	5. 8
511	W. F. Nagle	" "	51	5. 11
512	Hunter Corbett	" "	51	5. 11½
513	George S Boys	" "	26	6.
514	J. R. Boyle	" 13	35	6.
515	J. L. Stevens	" 20	58	5. 8
516	D. C. Osborne	" 29	30	5. 8½

9 passports @ $5, each . $45.00

Legation of the United States.
Peking, September 30th, 1887.

The quarter ending 30th September 1887.

Eyes	Nose	Hair	Face	Complexion
grey	ordinary	grey	round	fair
blue	medium straight	dark	long	dark
grey	medium	grey	long	fair
brown	straight	black + grey	square	dark
black	ordinary	black	oval	dark
blue	long	dark	sharp	fair
brown	straight	dark	oval	fair
blue	large	grey	round	fair
blue	large	brown	marked	light.

Exd.

Charles Denby

United States Minister

TELEGRAM RECEIVED.

2D ASSISTANT SECRETARY.
Index + file
OCT 27 1887

From U. S. Legation, China

Peking, Oct 26 1887

[Recd Oct 27. 7.57 a.m.]

Bayard
Washington.

Government of China, in reply to the protest says Korea tributary. The King memorialized Emperor of China who authorized action the treaty provides.

Denby.

2D ASSISTANT SECRETARY.
Deciphered by
H. L. Bryan
OCT 27 1887
10 a.m.

2D ASSISTANT SECRETARY.
copy to War Dept.
acked
DEC 12 1887

V

Dept. June 11, 1888.
June 11, 1888 cnd'd

No 496.

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.

Legation of the United States.

Peking, October 26th, 1887.

Mr. Charles Denby.

to the

Secretary of State.

Subject

Overflow of the

Yellow River.

Synopsis.

Mr. Denby gives an account of the overflow of the above river, mentions the steps taken to alleviate the distress of the sufferers etc:.

No 496.

Legation of the United States
Peking, October 26th, 1887.

Honorable Thomas F. Bayard.
Secretary of State
Washington.

PRINTED
DIPLOMATIC RELATIONS
1888

Sir:—

I have the honor to inform the Department that from reports recently presented to the Throne, the Yellow River - aptly named by the Emperor Kanghsang "China's Sorrow" because of the calamity caused by its oft-occurring floods - has again burst its banks. This time at a place below Ching Chow, near the Capital of Honan. It is to be feared that the devastation caused will be as serious as in 1856, when the river changed its bed and instead of emptying itself into the Yellow Sea, about lat 34°, this huge volume of water turned off at right angles near the city of Kai Feng Fu, the capital of Honan and found its issue in the Gulf of Pechihli, lat 38°.

Though full particulars of the extent of the destruction and desolation have not yet transpired, still there is reason to believe that a frightful calamity has occurred, for the overflow must

have covered hundreds of acres of arable land, converting them into a vast lake, destroying villages and towns, and rendering homeless thousands of persons.

A decree published recently appropriating the sum of taels 400.000. and the entire quantity of tribute grain to be sent by Grand Canal next year, due from Kiangsu and other places to alleviate the sufferings of the people is evidence of the serious nature of the disaster.

By a decree published on the 8th of October instant,- at the instance of the Director General of the Yellow River,- a Sub-Prefect, Major, Lieutenant and Second Sergeant, have been degraded and ordered to wear the cangue along the banks of the river, and the Intendant of the Capital of Honan is to be handed over to the Board for the determination of a penalty. The offence committed by these officers is that they did not take precautions to repair the damage to the banks of the river and thereby avert further disaster.

I have the honor to be,

Sir,

Your obedient Servant

Charles Denby

2D ASSISTANT SECRETARY.
Ack by No. & file.
DEC 12 1887

No 497.

Legation of the United States.

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.

Peking, October 26th 1887.

Mr. Denby to the
Secretary of State

Subject.

Homicide by the insane in China

№ 497.

Legation of the United States.

Peking, October 26th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

As homicide by insane persons is becoming frequent in the United States and elsewhere, it may be interesting to report the manner in which China deals with this class of cases.

I find in the Peking Gazette the account of a parricide by a lunatic. The lunatic

lunatic, contrary to law, had never been reported as such. In one of his fits he seized a vegetable chopper and killed his father. A medical examination demonstrated that his madness was real. The law is that the murderer of a father suffer death by the slow and painful process and the sentence is not affected by the insanity of the criminal. If the act has been committed at a distance of more than 300 li from the provincial capital the death sentence is to be carried out there and the head sent back for exposure at the scene of the crime. The

punishment

punishment for concealing cases of insanity is one hundred blows. One of the delinquents in this case being over eighty years of age this penalty was remitted. The lunatic was executed by the slow process and his head exposed.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

Dept Russia
12

2D ASSISTANT SECRETARY.
DEC 12 1887

No 498.

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.

Legation of the United States.

Peking, October 26th 1887.

Mr. Denby to the

Secretary of State

Subject.

Trade at Peking.

Synopsis

Decrease of trade and the causes assigned therefor.

Copied Dec - 1887

№ 498.

Legation of the United States.

Peking, October 26th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

The Commissioners of Customs for the Ha-ta-Mên Gate at Peking report that trade has been very bad at Peking during the last year. The collections fell short of the amount fixed by law Taels 141,842,7.1.2. The causes assigned are fluctuations in exchange, high cost of food and

and dearness of carriage, the heavy rains during the summer and the bursting of its banks by the Peiho river, by which boat traffic was greatly impeded. The foreign customs also steadily absorb an increasing portion of duties.

The opium duties have also declined. According to regulations which date back to 1859, all opium, whether foreign or native, is made subject to taxation. The receipts are kept apart from those from other goods and are sent seperately to the Board of Revenue. At all stations on navigable rivers connected with the seaports

seaports the duty, as at Shanghai, was fixed at Taels 30 per picul. At the Ka-la-Men, and all barriers on land lines of route, the charges were only twenty taels per picul. The duties hitherto have been mostly collected on foreign opium, the collection on native opium being trifling. The largest amount ever collected was about taels 9000. Early in the present year the Board of Revenue notified the Customs authorities that there was to be no duty collected on foreign opium, the duty of 80 taels on the ~~chest~~ chest covering all charges.

Under these circumstances

the

the collection on opium has been about taels 1100.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

Ackd Dec 14 Cir Ltrs

2D ASSISTANT SECRETARY.
DEC 12 1887

No 499.

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.

Legation of the United States.

Peking, October 26th 1887.

Mr. Denby to the
Secretary of State.

Subject
Adoption of bonded warehouse system by China.

Copied W Dec. 1887.

№ 499.

Legation of the United States.

Peking, October 26th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to report that the Imperial Government has adopted the bonded warehouse system, as it prevails in western countries. An American citizen, Mr. H. B. Morse, an employe of the Imperial Maritime Customs, was lately sent to the United States to study the

system

system. He thoroughly investigated the bonded warehouses in New York. He will now be put at the head of the system at Shanghai.

The tariff is so low that the advantages to trade are not very great. Since the introduction of the telegraph the old system of keeping large stocks on hand has been abandoned. Prompt and ~~c~~orrent selling is now the rule.

It is supposed that the bonded system will benefit the China Merchants Company, whose warehouses will be bonded, thus giving them the

the price of storage.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

No 500. Two Enclosures.

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.
2D ASSISTANT SECRETARY.
Approved Dec 13
DEC 12 1887

Legation of the United States.
Peking, October 27th, 1887.

Mr. Charles Denby
to the
Secretary of State
Subject
Obstructions in Canton River.

Synopsis

Mr. Denby does not recognize the right of China to close up the channel in question, but regards the appointment of a higher officer to reside at Whampoa to attend to Shipping as desirable.

No 500. Two enclosures.

Legation of the United States.
Peking, October 27th, 1887.

Honorable Thomas F. Bayard.
Secretary of State
Washington

PRINTED
1888
500

Sir:—

I have the honor to
hand you enclosed copies of
correspondence which have passed
between the Tsungli Yamên and
myself regarding the obstructions
in the Canton river near
Whampoa.

The appointment of a higher
officer to attend to the duties affecting
commerce at Whampoa I regard
as desirable but I do not admit
the right of China to put obstructions
at Whampoa that prevent

much

mark of deep draught from proceeding to Canton in time of peace.

I have the honor to be,
Sir,
Your obedient servant
Charles Denby

Enclosure 1 - Tsungli Yamen to Mr. Denby
October 10th 1887.

- do - 2 Mr. Denby to Tsungli Yamen
October 27th 1887.

Informal. Enclosure 1 -

Peking, October 10th, 1887.

The Ministers of the Tsungli Yamên

to Mr. Denby.

Your Excellency: —

Last year Your Excellency addressed the Yamên requesting that steps be taken to cause the removal of the barrier at Shanhaikwan in the general interest of commerce.

At the time the Yamên replied that the barrier at Shanhaikwan could never be removed, a decree having been issued by the Throne, and further discussion upon the subject would be of no use.

Later, His Excellency, Mr. von Brandt, Minister for Germany, at an interview requested that an officer be appointed

at

at Whampoa, and that the rule adopted at Taku be carried into effect there, there would be comparatively no commerce.

The Yamen would observe that the appointment of an officer to reside at Whampoa, in order that loss of time by delay to foreign merchants may be avoided, is certainly an admirable and satisfactory plan. Notes has repeatedly been sent to the Governor General of the two Kwangs, to take under consideration the circumstances and devise a scheme that could be enforced. That officer has reported that under the present regulations in force at Whampoa, on the arrival of foreign mails, the Customs Tide-

Surveyor

Lorcha issues a permit to open
hatches and discharge into cargo
boats. After loading, the hatches
of the cargo boats are sealed
by the Tide Lorcha and on
arrival at Canton the hatches
are opened, cargo examined
and duties paid.

In the case of goods loading
at Whampoa, the goods to
be shipped are first examined
at the Customs House at Canton,
and after the payment of Export
duty, a permit to ship in cargo
boats is issued. After loading,
the hatches are sealed and on
arrival at Whampoa, the Tide-
Lorcha re-examines the cargo
and if there be no mistake,

per mission

permission is granted to transship to the foreign vessel. This rule is the same as the one in force at Takao governing imports and exports.

But foreign vessels, on arrival at Takao, must first be reported by the foreign Consul to the Customs before permit is issued to discharge cargo into boats. At present, on the arrival of foreign vessels at Whampoa, if the foreign hong (Consignee) give a bond guaranteeing the payment of the duties, dues and all other charges, within the specified time, and that they will not overstep, or evade the rules, it is only necessary then,

for

for the ships papers and tonnage dues certificate to be presented (to the Customs) and the Tide-Surveyor at Whampoa will at once issue permit to open hatches and discharge cargo into boats. Opium cargo can be discharged and be on its way to Canton before the Consul has reported the vessel to the Customs.

Further if the arrival of a vessel at Canton is telegraphed by the Tide-Surveyor to the Customs at Canton, shippers can at once apply for permits to ship export cargo.

When a vessel is ready to clear, the Tide Surveyor at Whampoa,

after

, after duly Examining the Export
cargo and the loading of
the vessel is completed, hands
the grand chop, or clearance,
with the other papers, to the
Captain and he is therefore
not obliged to proceed to Canton
for them.

Thus it will be seen that the
regulation in force at Whampoa
governing the importation and
exportation of merchandise is
much more convenient than
the one in force at Tahu.

But hitherto, at the Whampoa Customs
there has only been a Tide-Surveyor,
and as the rank of the Chief
of the Tide waiter class is comparatively
low, it is now proposed to appoint

a

a fourth class assistant deputy
Commissioner of Customs to reside
at Whampoa and take charge
of the Customs, thus giving due
weight and importance to the
office.

The Viceroy would further
observe that as the object and
purpose of Your Excellency's
communication are to benefit
commerce the plan now presented
by the Viceroy at Canton, together
with the request that a deputy
Commissioner of Customs
be appointed to reside near
at hand (Whampoa) to take
the management of shipping
affairs must with the wishes of
the mercantile class.

The

The plan adopted at Thompson is much more convenient than the one in force at Yales and the Ministers hope Your Excellency will surely be pleased to agree to it.

Cash with Compliments of Ministers.

No 15. Enclosure 2.

Legation of the United States.

Peking, October 27th, 1887.

M. Bixby to the Hung-li Yamên

H.I.M and H.E.

I have had the honour to receive Your Imperial Highness and Your Excellencies communication of the 10th instant, informing me that the Imperial Government intends to appoint a 4th class assistant Deputy Commissioner of Customs to reside at Wuhu to take the management of shipping. You further state your belief that I will agree to this plan.

You also inform me that the barrier at Shalu, in the Pearl river can now be removed and

and further discussion upon the subject would be of no use.

I have to express my regret at the adverse determination of a question in which the commerce of all nations is interested.

The obstruction of natural channels leading to ports has only occurred in time of war. It has been done by the Dutch, the English, the Americans, the Russians, and the Germans. But it is thoroughly settled by International law, that when war ceases, such obstructions, when impeding navigation in channels in which large ships are accustomed to pass must be removed by the territorial authorities. Each

is

is the rule apart from treaty.
If there was any doubt about
this question, it would be
settled by the provisions of
the treaties of the United States
with China, which virtually
make Canton a free port
to which our merchant vessels
are entitled to have free
access in time of peace.
While I do not admit the
right of China under International
law to close the channel in
question, yet the appointment
of a higher officer to take charge
of the shipping duties at Whampoa
seems to be desirable.
With assurances of my highest
consideration.

I

I have the honor to be,

" " " "

(Signed) Charles Bruce

2D ASSISTANT SECRETARY.
Ack by No. & file
DEC 12 1887

No 501.

Mr Everett
13

Legation of the United States.

Peking, October 27th 1887.

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.

Mr. Denby to the

Secretary of State.

Subject.

Chinese obstruction to Korean Missions.

Synopsis.

Yamên's reply to Mr. Denby's protest

One enclosure.

No 501.

Legation of the United States.

Peking, October 27th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to forward to you the enclosed reply of the Tsung li Yamên to the protest which I presented against the interference of the Imperial Government in the sending of an envoy to the United States by the King of Korea.

I have also to confirm as follows

follows my cipher telegram of this day summarizing the reply of the Yamên.

"Bayard, Washington,
"The Government of China
"in reply to protest says Korea
"Tributary. The King memorialized
"Emperor of China who
"authorized action the treaty
"provides."

Denby."

I have the honor to be,
Sir,
Your obedient servant,
Charles Denby

Enclosure.
1. The Foreign Office to Mr. Denby
No 18, Oct 26th 1887.

Translation. Enclosure 1 in No 501

No 18.

Peking, October 26th 1887.

The Tsung-li Yamên
to Mr. Denby.

Your Excellency:

Upon the 7th of October the Prince and Ministers had the honor to receive a communication from Your Excellency to the effect that you had received a telegram from the Secretary of State wherein he directed you to express to the Yamên the surprise of your Government that the Government of China obstructs the sending by Korea of a Minister to the United States.

The Yamên would observe that, under the treaty between the United States and Korea, provision is made for the sending of Ministers by the respective

respective countries. Since the said country Korea is acting in accordance with treaty stipulations China would have no use in obstructing her. But as Korea is a tributary power to China, in important international relations she should, under the law, first ask the issuance of an edict from China.

The King of Korea has already deputed officers, who have arrived in Peking with a memorial which has been presented to the Throne by the Board of Rites and a decree has been issued to inform (Korea) to obey accordingly (observe the Treaty).

A necessary communication addressed to

His Excellency
Charles Denby
etc, etc, etc,

DEPARTMENT OF THE INTERIOR

2D ASSISTANT SECRETARY.
Ack by No. & file.
DEC 12 1887

No 502.

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.

Legation of the United States.

Peking, November 1st 1887.

Mr. Denby to the

Secretary of State.

Subject.

Memorial to King of Korea.

One enclosure.

№ 502.

Legation of the United States.

Peking, November 1st 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I enclose herewith a translation of a curious remonstrance recently addressed to the King of Korea by the Censor Kri Yung-Chik.

The abuses existing in the government are pointed out with great boldness and particularity.

The transition state of

Korea

Korea from semi-civilization to western modes of progress is interesting. She is treading the path that Japan has trodden but so far without developing the ability of Iwakura, Soeyshima, Inouye or Ito. Her condition is much complicated by the shadowy suzerainty of China. China does not boldly take firm hold of Korea although she claims to direct her policy. She lets "I dare not wait upon I would".

The result is that various factions exist. The country is distracted and an internal convulsion may at any moment produce

produce revolution leading
to Russian Japanese or Chinese
control.

I have the honor to be,
Sir,
Your obedient servant,
Charles Denby

Enclosure.

1. Memorial of Censor Kui Yung Chi'h
to the Korean King.
From Chinese Times Oct 29th 1887.

Enclosure in No 502.

Chinese Times
Oct 29th 1887.

OF CENSOR HSI YUNG-CH'IH
THE COREAN KUEN.

g to call the attention of His when in peace the words of the as light as a feather, but in emer- ords of a commoner will be as T'ai Shan" (the sacred mountain I was originally of the common now ranked as a censor, so if I n things which ought to be dis- y fault; like a speech intended but Oh! how glorious is now His has succeeded his Royal ancestors, the influence of the Royal family d His Majesty as the heir-apparent ne. Being a son of the Prince ajesty should also be considered irit of that princely family, and be ed by all Ministers of the kingdom. me that requires the joint activity

of both the nobles and commoners. as a louse and ignorant as a dog yet would be so audacious as to eech before His Majesty, and trust His Majesty will kindly give a sideration to the following state-

y.—Making income meet expendi- first importance; and to depress s for the benefit of the lower is the ubjects at large. In former times d contributions were presented and cording to settled regulations; but nt the tributes have all been disused, tributions, to raise which regular harged, have long remained unpaid. verty arisen from the expenditure increased, or has the regular source come gradually less? It all arises agance. For instance, on the a European Minister I saw grand made. One dinner cost over d taels; and lest it might still be ough, cattle and vegetables were excess. Thus feeding a big man st the worth of a famous pony of d would be over the cost of plant- of mulberry trees. Further, when s entered the metropolitan lakes, or conveyance both on land and in exhausting; and when the electric ted in the palace, although a good iven for a short time, the expenses reat. When Han-wên, the econo- ror of the Han dynasty, wished to ne hundred taels he abolished the ilding in his palace; and Wei-wu, nomist of the Wei dynasty, dressed othes, and was thus enabled to retain It was always believed that a rich ould not possess poor subjects; nor cts being poor make the kingdom erefore hope that His Majesty will n this point.

Currency.—When the ordinary circulated, even if given to an woman or to a small boy, both alue; but when the "one for one and the "one for five" cash were he various provinces seemed unwil- cept them, because when the taxes cted by the cunning runners, all the ne hundred" and the "one for five" rejected unless on lower rates, while us official, in transmitting them into treasury, cashed the coin at the full his shows at once that the blame of such cash cannot be laid on the people. e beg to refer this matter for His consideration.

regularities in the Palace.—In the ll matters should be regulated and order, but now the gates are kept and night, and all matters taking the Palace can be known by the large. Sensual pleasure day and night been indulged in without check. It that such things will be detrimental rance and health, and such misgovern- ll ruin the country; because if orders m the private Palace the government uined, while by orders issued from the urt the government can be improved. t this matter for His Majesty's con- n.

The Metropolitan Academy.—On the is founded the government, and government depends the literati who e people. Such a system has been ed for five hundred years, but now the and western wings of the academic have become dilapidated, and the pro- for the academicians are insufficient, so that they all suffer starvation. The Spring and Autumn sacrificial services have been abolished, the halls and rooms are dilapidated, and officers starved; whereas, the English schools are provided with grand buildings, the tutors liberally paid, and the students are well provided. The difference between the two is very great. I think that Western languages and sciences play an important part in our affairs, but for the peaceful government of the country the literati should also be protected as of no less importance. I beg to refer this to His Majesty's consideration.

5th. *The Government Organization.*—When the government is founded on a right basis, all officials act tightly, likewise the organization of the Court and kingdom. The abuses of the officials are the same as before, in spite of the alterations made; habitual frauds are now perpetrated as of old; illegal officers and eunuchs have often been appointed without letting the public know the reason of making irregular appointments. Is this a right principle for organizing the government? Moreover, false names and titles are written in the form of official documents, which are stamped by imitation seals in order to cheat innocent people, who often by a little carelessness lose all their property. People committing such crimes often escape and are excused without incurring severe punishment. I think the laws have become useless; even those who are charged with petty offences cannot be traced, because they are under the protection of some powerful families. Should a father become a principal officer, all his subordinates are his sons and relatives, while officials of better conduct are suffering from starvation, their servants and runners being in utter destitution. For saving the revenue some less important officers should be dismissed, but it is surprising that so many officials are employed in the Council. I should recommend only those who are competent to be kept in service. I beg to submit this for the decision for His Majesty.

6th. *The Military Service.*—Five camps are combined into one force. They should be soldiers who possess powerful weapons and competent military skill. Such have protected the kingdom for over 500 years; but I find now that while the ancient soldiers were brave in our wars, the present ones are given to private brawls. They frequent brothels, heedless of the laws, and make such places their regular homes. They fight against each other in private quarrels until some are severely wounded. Although the right principles exist, the officers and soldiers cannot be made to obey them. I therefore think that the best plan for training the soldiers is to give them more punishments than rewards; and more labour than ease. Dressing in silk clothes fosters their sensual desires; and granting titles increases their haughtiness. Moreover, the commander often resides away from the station, leaving the soldiers idle. Weapons are for offence, and should not be played with. I do not know what drill is now practised. Soldiers are for emergency; they should not be indiscriminately gathered. I do not understand what discipline they are now under. This is another matter I beg to refer to His Majesty's consideration.

7th. *The Officials.*—The Court, in the first place, should select officials who can be trusted with the government of the people. Rewards and punishments are regulated by the laws, but now bribes and booty are received openly in public, and promotions granted so quickly and unjustly that even the people do not know the number of high officials who have been appointed during any one year; and the power is left entirely in the hands of subordinates who squeeze without heeding what they do, and have no sympathy for the suffering people. The higher ones all stop away simply to get their pay for nothing. I, therefore, beg to refer it to His Majesty.

8th. *The Merchants.*—The people are generally divided into four classes, comprising the students, cultivators, workmen, and merchants; but they are all subjects of the government. The merchants in old times only pursued their occupation in trade, but they now often enter into private combinations. Without referring their cases to the magistrates, they decide them by their own will; without depending on the government, they elect a president themselves; people of good nature and weak wills often fear them, because they oppress outsiders as much as possible to make them submit and become their followers. I think that people of literary occupation who mix themselves with combinations should be liable to punishment or fine. How can traders, a low class, be allowed to hold, combine, and evade the control of the government? This is another point I hope His Majesty will consider.

9th. *Transport.*—When the native transports are engaged, they are used to convey tribute rice, but wreck and loss have often been reported as fraudulent. This is an abuse which has existed several hundred years. For guarding against such abuses foreign steamers are used, carrying 10,000 piculs in one trip. The advantage is truly great; but for one day's expenditure 800 and odd taels are required. How much more would be the expense of one trip in going and returning? I thought that the steamers would not be wrecked or lose cargo, but I find the case is the reverse. The freight on rice carried by one steamer will be more than the cost of building a native transport. The advantage of a steamer is in being able to carry more and to sail faster. But how much time is often wasted in getting a steamer, in the first place! And all necessary articles have to be supplied by others, and the profit all goes into other people's hands, leaving us to pay the expenses. So instead of doing good, much harm is done. If steamers be employed, they should be managed solely by ourselves, but not in the way now done. This is another point I wish His Majesty to consider.

10th. *Robbery Cases.*—In ancient times men became robbers on account of poverty, but now the robbers are all rich people. Robbers in old time feared they might be discovered, but robbers now desire to be known. At night a band of robbers may break into any house to commit burglary, and in open day they go about the streets carrying swords and weapons. They also dig out the graves and carry away the dead for ransom—every thing is going on in a bad way, and the officials are too cowardly to do anything. I think the blame is on the officials in the first place; they should not rob people nor promote disorder, and then the people would give up bad doings, and become respectable subjects. This is another matter I wish His Majesty to consider.

11th. *The Trading Ports.*—To open the trading ports to foreigners is a common rule amongst all nations, but they do not open the capital for trading purposes. The reason for opening Seoul to foreign trade is very likely to show our weakness. Foreigners come and monopolise our trade, live in our houses, and interfere with our dealings. When appeal is made by the people in the market on some painful cause, even the Court of His Majesty can do nothing to relieve them. Some say, let the market be removed to Yang-tu; but it is just like a man who ran away from a battle for 50 steps laughing at the man who had run for 100 steps; in reality, they are both defeated soldiers. Anyhow it is dangerous to open the trade in the capital, and is besides in contradiction to the international law—a port in Jên-ch'uan will be

sufficient. I hope his Majesty will also consider this.

All the above eleven clauses are my ignorant views, which I expect His Majesty will take into discriminate consideration. Is His Majesty's kingdom worse than others? Or can the wisdom of His Majesty not surpass that of former dynasties? I am of opinion that when the kingdom is required to be as peacefully governed as by Yao and Shun, two famous Emperors of China, it can do so; and when the government is required to be organized as well as the Han and T'ang dynasties, it can also be done. The only thing we want now is to be attentive in internal improvements, which will lead to self-supervision, and thus become a powerful kingdom. To be agreeable in diplomatic relations with the Europeans, on one side, and make a good neighbour to China on the other; hence, we shall have no opposition against China, and be harmonious as the tongue and teeth. Just fancy, the Ch'i and Lu, two small countries in the Chou dynasty, could make themselves strong, while the Ch'in and Ch'u, two large countries, lost their power. Under the present circumstances it would be too much to think that a critical time is approaching, or that the time is so bad that no remedy can be found. However, by what I have stated I hope His Majesty will make a timely decision with great prudence, so that my words will not be accounted useless.

No 503. One enclosure.

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.

Legation of the United States.
Peking, November 4th, 1887.

Mr. Charles Denby.
to the
Secretary of State

Subject.

Telegram account
for october 1887.

Telegram.

Peking, July 27th, 1887.

...thers

Tientsin

Repeat from eighth group to

...ch.

Denby.

No 503. One enclosure.

Legation of the United States.
Peking, November 4th, 1887.

Honorable Thomas F. Bayard.
Secretary of State
Washington.

Sir:—

I have the honor to enclose
a statement of my official telegram
account for the month of
October 1887, amounting to
$62.08 against which I have
drawn my draft on you in the
usual manner.

I have the honor to be,
Sir,
Your obedient servant
Charles Denby

503.

Enclosure 1.
Statement as above.

No 229 missing!

Dup Desp 12

Duplicate of 229 of Sept 8. 1887 not sent Dec 12 87 cis Gr

No 504.

Legation of the United States.

Peking, November 3rd 1887.

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.

Mr. Denby to the

Secretary of State.

Subject.

Acknowledging despatches

№ 504.

Legation of the United States.

Peking, November 3rd 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I have the honor to acknowledge the receipt of your despatches № 230, of Sept 9th; 231, of Sept. 15th; 232 and 233 of Sept. 20th; 234, of Sept 21st; and 235 of Sept. 22nd 1887. № 229 is missing.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.

No 505

2D ASSISTANT SECRETARY.
Ack'd by No. & file
DEC 12 1887

Legation of the United States.

Peking, November 3rd 1887.

Mr. Denby to the

Secretary of State.

Subject.

Shanghai Land Regulations

Synopsis.

The Ministers decline to transmit revised Land Regulations to Municipal Council.

No 505.

Legation of the United States.

Peking, November 3rd 1887.

To the Honorable

Thomas F Bayard,

Secretary of State,

Washington, D. C.

Sir:

In further reply to your despatch No 235, of September 22nd 1887, I have the honor to state that I have found it impossible to induce my colleagues to consent to transmit the revision of the Shanghai Land Regulations to the Municipal Council.

As any action must

necessarily

necessarily be barred if any one minister dissents, I am powerless to secure the submission of the revision at this time.

While my views have not materially changed, as to the propriety of now insisting upon the making of such alterations in the present regulations as the Municipality and the Ministers may agree on, I have, nevertheless, consented that formal action may, for the present be deferred.

I declined to accede to any official action contrary to my opinion already expressed. It was then suggested that

Mr.

Mr. von Brandt should write a private letter to a prominent citizen, Mr. Keswick, explaining the views of a majority of the Ministers as being favorable to non-action at this time, and that the letter should be shown to the President of the Council, Mr. Woods. I agreed to this policy, as being of no official significance and not committing me to any course. I did this the more readily because the Americans have taken no special interest in the matter and the British Minister was anxious that this plan should be pursued.

Thus, for the present, the

the revision is shelved.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

No 506. On Enclosure.

DEPARTMENT OF STATE
DEC 12 1887
RECEIVED.

2D ASSISTANT SECRETARY
Ack. Seen with interest. Dec 13. 87
DEC 12 1887

Legation of the United States
Peking, November 4th, 1887.

W. Charles Denby
to the
Secretary of State

Subject:

Marble Monument to Yihan Lama.

Synopsis:

Mr. Denby encloses photograph of above monument as being a splendid specimen of Chinese architecture.

No 506. On Enclosure.

Legation of the United States.

Peking, November 4th, 1887.

Honorable Thomas F. Bayard.

Secretary of State

Washington.

Sir:—

As a specimen of one of the most beautiful pieces of Chinese architecture, and to show that the people of this great Empire, are not ignorant of the mechanical principles of art, I have the honor to enclose a photograph of the White marble monument situated north of Peking, erected by the Emperor Kien Lung to perpetuate the memory of the Tartar Lama, whom he had invited to Peking, and who died here of small pox.

He was of high rank and I believe

around

account only to the Dalai-Lama.

On the Eighteenth of the Mausoleum an Engraved scene in the Buddha's life, including the supernatural circumstances attendant on his birth, his entrance on the priesthood, contests with the unbelieving, instruction of disciples and death.

Apart from the specific object of erecting this splendid mausoleum to the memory of the departed Lama, it may be regarded as an enduring monument to commemorate the taste of the Chinese in architectural lines.

I have the honor to be,

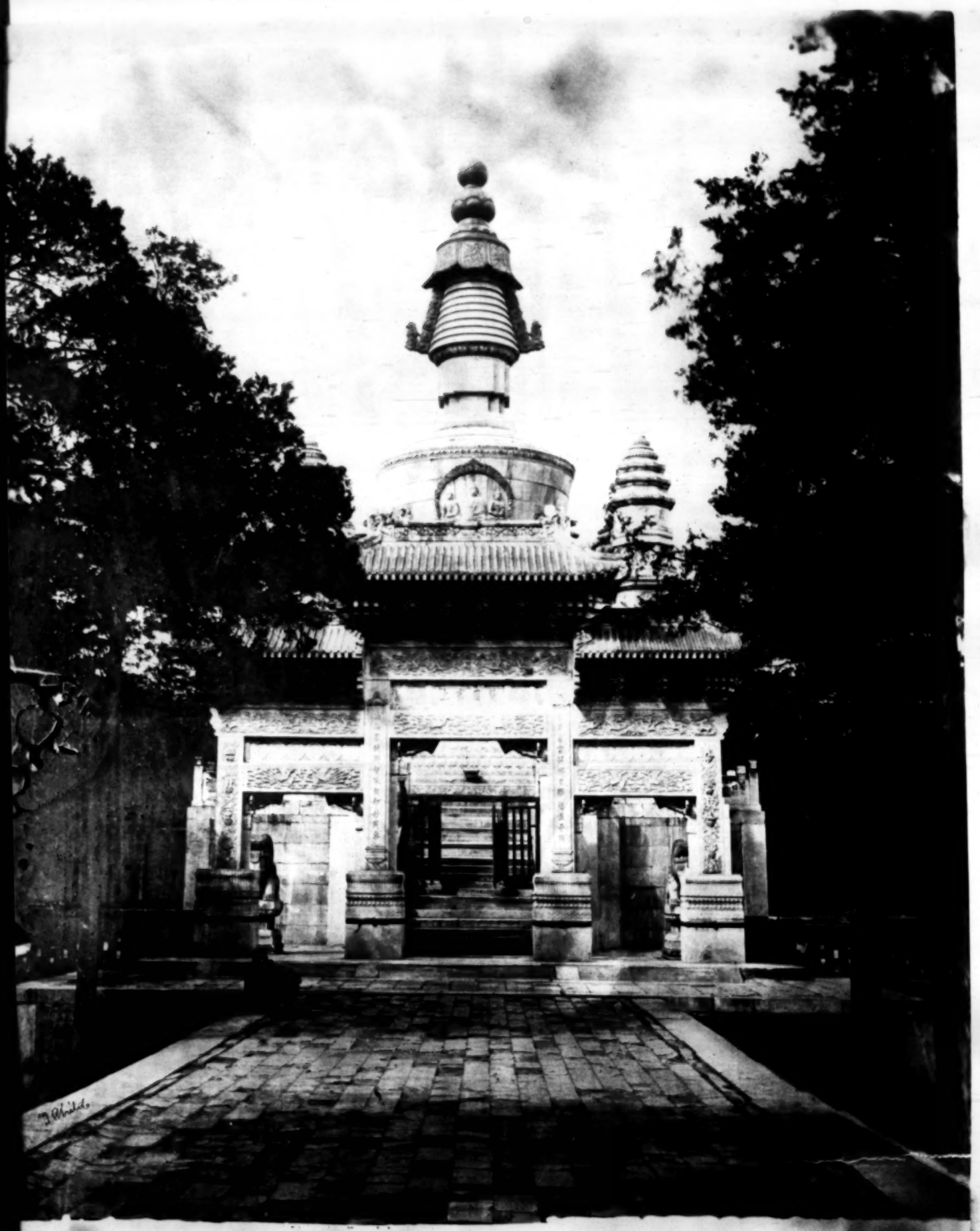
Sir,

Your obedient servant

Charles Denby

Enclosure 1.

Photographs as above.



No 88. Marble Monument . North of Peking

DEPARTMENT OF STATE
DEC 22 1887
RECEIVED

No 507. acknd. amount allowed $17.50 Dec 24 1887

Mr Denby
24

Legation of the United States.

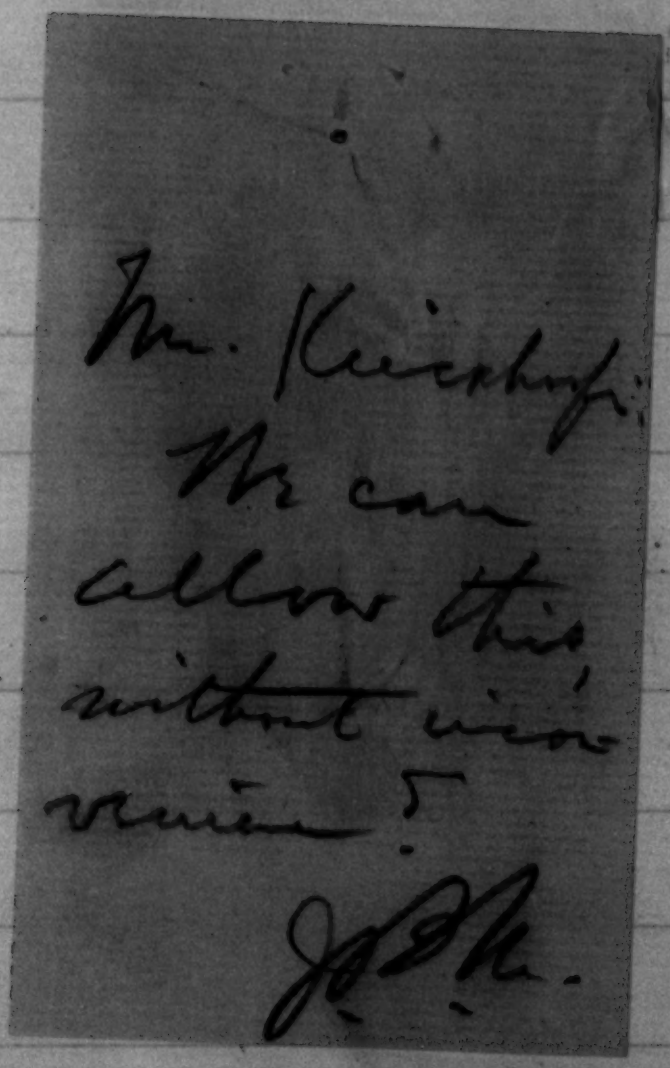
Peking, November 7th 1887.

Mr. Denby to the

Secretary of State

Subject.

Requests authority to employ a night watchman


Mr. Kleinhans
We can
allow this
without view
Review?
J. D. M.

№ 507.

Legation of the United States.

Peking, November 7th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have found it necessary to employ an assistant gate-keeper, to act also as night-watchman.

I have long thought that the duties of the gate-keeper were too onerous, especially in the winter, to be performed by one man during twenty four hours continuously. The other

Legations

Legations are provided with assistant gate-keepers, watchmen and foreign guards. But the smallness of the contingent fund has hitherto restricted this Legation to one gate-keeper and we have had no watchman.

Last night the compound was entered by thieves and all the door-mats; and, perhaps, other things, were stolen. Robbery is rife here owing to the destitution of many of the people. Owing to the fact that the roofs of several low Chinese houses put into our compound it is very easy of access for robbers. It is, therefore, proper matter of precaution, to secure protection

protection for the public property during the night as well as more efficient service at the gate.

I respectfully request that you will approve of this expenditure, which will not exceed sixty dollars gold per annum.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

Mr Everett

No. 508. One Enclosure.

DEPARTMENT OF STATE
DEC 22 1887
RECEIVED.

Legation of the United States.
Peking, November 11th, 1887.

W. Charles Denby.
to the
Secretary of State

Subject.
Duplicate Statement of
Telegram Account
for October 1887.

No. 508. One Enclosure.

Legation of the United States.
Peking, November 11th, 1887.

Honorable Thomas F. Bayard.
Secretary of State
Washington.

Sir:—

I have the honor to enclose
herewith duplicate statement of my
official telegram account for
October 1887.

I have the honor to be,
Sir,
Your obedient servant
Charles Denby

508.

Enclosure 1.
Duplicate statement as above.

19

Oct

The United States Government in account

1887	Telegram Account	£	s	d
October 27	To telegram to Washington at per Voucher		62	08
		£	62	08

Legation of the United States
Peking, November 4th 1887

with Charles Denby

1887	October		$	¢
November 4.	By draft on Secretary of State to balance			62 08
			$	62 08

E. & O. E.

Charles Denby
United States Minister

中國電報京局
Imperial Chinese Telegraphs.

報費收照

or Telegram No. 157 to Station Washington deposited for transmission
is day at 2 h 5 m P/m.

CHARGES FOR 16/29 WORDS.

Local Telegraph	$ 11	cts 60
International Telegraph	63	80
Reply at ..... *Station*		
Postage		
Express		
Extra charge	2	19
	Total $ 7 8	cts. 5 9

Duplicate

Received Payment

Telegraph Station, PEKING 27/10 1887

repeated 62.08

INFORMATION FOR THE SENDER.

In case the Charges have been reckoned too low by mistake, the Sender is bound to pay up the correct amount.
The administrations of Telegraphs accept no responsibility with regard to the eventual consequence of error or delay the transmission and expedition of telegrams.

Telegram.

Bayard, Washington.

The Government of China in reply to protest says Korea tributary. The King memorialized Emperor of China who authorized action the treaty provides.

Denby

Peking, October 27, 1887

DEPARTMENT OF STATE
JAN 4 1888
RECEIVED.

Mr Coville
4

No. 509.

Legation of the United States,
Pekyng, November 11th 1887.

2D ASSISTANT SECRETARY.
Ask as read with much attention.
JAN 4 1888

Mr. Denby to the
Secretary of State.

Subject.

The monetary and banking system of China.

Synopsis.

Complication of the currency. But one coin - the "cash" - it's value - it's advantages. The comparative value of the gold dollar, tael and Mexican. How equilibrium is preserved. Depreciation of silver discussed. Effect of interest laws. Silver shoes, Exchange Banks of issue. Private Banks only. They are banks of discount & deposit. Paper money historically considered. Peking bank system.

№ 509.

Legation of the United States.

Peking, November 11th 1887.

PRINTED
FOREIGN RELATIONS
1888

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I have the honor to submit a few observations on the monetary and banking system of China.

The stranger, on arriving in China, is struck with the apparent inconvenience of the monetary system; but a short residence tends to create an opinion that the system is

well

well adapted to the people,
at least in some respects.

The financial business of the foreigner is done either in Mexicans or taels, as he prefers. Drafts on London are in pounds sterling. His bank account is kept in taels or Mexicans as may be prefered.. Ordinary accounts in the stores in Shanghai are kept in dollars. The commercial business is done mostly in Taels. As the price of silver varies every day the transfer of dollars into pounds, of pounds into taels and taels into Mexicans is bewildering. Usually the tael is worth $1.40 in Mexicans.

China has hitherto resisted

all

all schemes for the establishment of a mint as understood in western countries. Yet China coined iron money under the reign of Kuang Ti; 2600 years before Christ.

This coin has been replaced by a copper piece called chien because it originally weighed a mace (1/10 tael). This coin and lump silver are the only public signs of the value of products and the only instruments of ordinary barter. The popular name of this coin is "cash."

The monetary system, as affecting silver, is arranged on the principle of weight,

and

and the divisions have the same names; tael, mace, candareen and cash. The computation is decimal.

Each cash should weigh, as Williams states, 58 grains Troy, or 3.78 grammes, but there are in various localities smaller cash in circulation and the rate of exchange vanes in different parts of the land from 500 to 1800 for a silver dollar. There are big cash and little cash. The Peking cash passes five for a silver cent or 500 for $1.

Taking into consideration the immense population of China, and the poverty of the people

people, a good argument may be formulated to sustain the legislator who created "cash". If there was to be but one coin it was necessarily the smallest. ...

While great weight makes transportation difficult, so that copper coin is not often carried from place to place, on the other hand the incumbrance of quantities of coin is so great that every one seeks to get rid of it.

For transactions to be consummated at a distance the copper coin must be changed for silver, but in small transactions

in

in the various localities it's circulation is rapid. It thus happens that silver in the Empire and coin in the districts fulfil exactly the intention of the Government.

In the open ports, and wherever Europeans have a foothold, the Mexican dollar readily passes current. At Peking the Mussulmans whose dealings are with the poorer classes of people, use exclusively the tael and the cash. But the two foreign merchants located here and the Legations, habitually keep their accounts in Mexican dollars.

The tael varies in weight

in

in various centers. The Hai-
Kuan (Customs) tael is the
heaviest, and the one with
which the government makes
its payments. It is worth
$1.22½ gold at the present rate
of exchange.

The copper coin, as coined
by the government, never varies
in purity. No matter what the
value of copper may be the
same quantity enters into the
coin. Williams gives the contents
of this coin as follows: alloy
of copper 50, zinc 41½, lead 6½,
and tin 2, or of equal parts
of copper and zinc.

It must be said that the
Chinese have succeeded reasonably

well

well in maintaining the equilibrium between silver and cash and between these two metals and the needs of commerce.

Monsieur Simon, who wrote a valuable paper on this subject, accounts for the first result by the non-existence of foreign enterprises which offer to pay large interest on silver, but more particularly by the Chinese law which permits interest at thirty per cent. While this law exists no country can compete with China as a market for silver.

As to the depreciation of silver it depends on many causes and

and cannot be avoided. Its inconveniences are manifold, especially to the poorer classes, whose wages do not increase as the value of silver deminishes. The Government seeks to avoid the effect of depreciation by making new issues of cash. Because the importation of foreign silver tends to diminish the value of silver in the Empire, there is a strong party here opposed to foreign commerce.

It may be remarked that the depreciation of silver is one of the great evils attending commercial operations in China. He European who desires to remit

remit a part of his earnings home, finds that his silver tael varies in value every day. The lower silver goes the less sterling it will buy and the more he loses.

The rate of exchange on London and the demand, are the criteria of the profits of the trade with China. It is, therefore, evident that when exchange on London is low — for example when, as in Aug. 1886 the Shanghai tael was worth 4 shillings 7 3/4 d. instead of 4s 11 1/2 d, the price in January 1885 — the merchant in China cannot get his goods laid down in this market, for the same

same price in sterling as before. The market value of the goods not having increased he has to bear a loss proportional to the fall in exchange.

The interest laws of China, with which the operations of banking are intimately connected, date from the year 1250 of our era. The enormous rate of interest is curiously defended by several writers. It results, they say in securing economy in order that the borrower may repay the loan, in producing greater industry, in deterring persons from borrowing, in reducing the number of renters of land and in increasing

the

the number of land owners,
and in inducing circumspection
with regard to new enterprises.
It is further stated by men
of business that this 30% is
only a maximum founded
on the probability that the
oscillations of the price of silver
will never exceed that sum.
It must be understood, also,
that the ordinary rate of
interest rarely exceeds 20 or
22 per cent, and money may
be had at 12 per cent, though
sometimes it exceeds even 30%.

Silver is ordinarily cast
into pieces of ten taels value
bearing some resemblance to
a Chinese shoe, being a lump
hollowed

hollowed out in the center and raised at the sides and ends. Larger pieces of the value of fifty taels are almost the exact shape of a shoe. They are from ninety seven to ninety nine per cent pure silver. Gold bullion is cast into bars like cakes of India ink, weighing about ten taels. In the early days of foreign trade the Mexican dollar was cut into pieces as it was in our western states. Pieces were punched out of it until it lost recognition as a coin. I have seen in the south of China hundreds of these mutilated pieces which are of no use but to be melted into

bullion

bullion. It is the custom in the south of China to stamp Mexican dollars and they are then called "chopped dollars".

Williams has little to say about the banking system of China, but his views, in the general, are correct. The subject is worthy of more attention than he accorded to it, and is becoming day by day more important. The progress of Trade, the necessities of the Empire and the importunity of foreigners seeking concessions of banking privileges, have latterly attracted the attention of the whole world to banking

in

in China. "

There does not exist in China any State Bank so-called. The issue of paper money dates back to the earliest historic period. The reader of Marco Polo wearies of the continual and unvarying description given by him of the countries that he visited. The monotonous statement is forever repeated that "they issue paper money and bury their dead." This statement is sometimes all that is said, and constitutes a chapter. Kublai Khan bought everything valuable his people had and paid in paper money, a system

much

much commended by Marco Polo as resulting in the possession of endless treasure without any cost. This system had the usual result, and a rebellion ensued which overthrew the reigning dynasty.

Five hundred years before Christ, government bills, which were utterly worthless were in forced circulation. In 1455, according to Williams, they were suspended, and, except during the Taiping rebellion in 1858, no bills have been issued since. These bills were current in the Capital only. As there is no profit to a government in the business of

banking

banking except in the issue of paper money, and, as only a bank of issue requires special privileges, China has, as a state, nothing to do with banking. There is, however, in each province a private bank, which performs the functions of the treasury for the government, and receives the taxes. It requires payment in silver purer than the silver of the locality, and thereby makes two per cent as compensation for its services. These banks are like all other private banks, and perform all the usual functions.

There are also private

banks

banks of emission, but they are not numerous. They exist chiefly at Peking. They issue notes of as low denomination as ten cents. Their bills do not pass current out of Peking. Here notes are worth more than cash, and a great business is done in exchanging one for the other.

The government tolerates these banks of issue rather than favors them. In the event of suspension of payment the government takes possession of the bank and administers it's affairs for the benefit of the bill-holders. There are few cases where there are, after failure,

any

any but nominal assetts. Usually when disaster comes the banker disappears, as with us, with the assetts and the loss is total.

The true Chinese bank is the bank of discount and deposit. These stand high in popular confidence. It does not appear that they derive any great benefit from governmental action.

For aught that can be ascertained to the contrary, these banks are as old as history. Their existence 2600 years B.C. is well established. The creation of paper money, and the existence of banks

are

are contemporaneously described, and, possibly, the coinage suggested the bank.

The insecurity of Chinese houses and the danger from fire made banks of deposit a necessity. All classes in China have bank accounts. The business of the banks is to discount paper, negotiate bills of exchange; to loan money on land or personal property, and to buy and sell the precious metals. There is no governmental limit to their establishment. They sell bills of exchange at short dates to any point in China. The Hongkong & Shanghai Banking Corporation

Corporation, and other foreign banks, have largely interfered with the sale of foreign bills, and bills running a long time. The banks ordinarily pay (except in Peking) interest on deposits, sometimes on daily balances. They agree also to give the parties every facility for borrowing. The custom is that a depositor can obtain on his own paper, as a loan twice the amount of his deposit, but only for a few days accommodation.

Deposits may be withdrawn (except in Peking) at will and interest received up to date of withdrawal. The foreign banks also pay interest on deposits, but they stipulate

for

for fixed terms. The Hongkong & Shanghai Banking Corporation pays 5% on fixed deposits.

The bank, for a consideration, guarantees the paper of it's customers. It sometimes happens here, as elsewhere, that the deposits are ten or fifteen times greater than the capital of the bank.

There exists in Peking a clearing house system which will compare favorably with that of New York. Each depositor receives from his banker a book with two columns, in one of which will be entered his deposits, and in the other to his debit all the sums he may

may disburse. He then sends all his creditors to his banker to be paid, and in the evening he sends his book to his banker. The next morning the clerks of the various banks get together and indicate in their books the various sums that they are to disburse, or receive, for their patrons. The balances are paid in cash, or are left to stand over on interest until the end of the year.

It is said that the banks assist each other in case of difficulty and extend the time of payment to any solvent bank requiring it.

The

The system of demanding immediate payment by holders of bills, which has resulted in so many commercial crises in America, and elsewhere, does not exist here. The Chinese banker allows ten or fifteen days in which the debtor bank can raise money at home, or procure it from the provinces. Failures take place here as elsewhere, but a bank which rests on a solid foundation, that might have been ruined by sudden pressure, secures time to raise funds and save itself.

These financial difficulties ordinarily supervene only at the

the end of the year, when all debts must be settled. At the time of the Chinese New Year, and at two other periods, the 5th & 8th moon festivals, every man settles up; and to allow a debt to go over these periods is considered disgraceful. Especially does this rule prevail at the Chinese New Year which occurs in February of our Calendar. These great periodical settlements have hitherto had the effect to prevent financial crises such as have occured in other countries.

It is the practice of the government to allow its moneys

to

to be deposited with the banks of the best class when any danger is anticipated. Thus at the end of the year large deposits are made by the government officials in the banks, to enable them to meet their obligations in cases where there has been unusual stringency in the market.

In cases of general suffering the government also makes loans of grain to cultivators of land and other necessitous people, to be repaid with interest in kind.

There is little counterfeiting of bank bills. Often the depositor waits, and sees the bills filled

up

up in sums to suit him.
I know one case where a
very worthy gentleman thus
received notes, representing
one hundred taels, in the
morning, and the bank closed
before night. He came to me,
and I presented his case to
the Tsung-li Yamên. The Yamên
denied all responsibility, but
promised to see that the assetts
were properly administered.
A government officer took
possession of the bank, the
cashier having fled, but my
friend never received a cent
of his hundred taels.

Circular letters of credit
are issued by the banks which
are

are good in China where the banks have agencies. Money is remitted from place to place in bills as at home. The rates are much higher than with us as transportation is private and very costly.

No statistics that I know of are published relative to banks. Bankers are reticent. There is considerable competition between the native and foreign banks and information as to business is designedly with-held. The branch of the Hongkong and Shanghai Bank at Peking keeps large sums on deposit in about twenty banks, but

receives

receives no interest thereon.
The native banks "melt", the
silver received without charge,
which is all the consideration
the Hongkong & Shanghai Bank
receives for it's deposits.

The ordinary rate of interest
at Peking is one per cent a month.

Silver comes to the capital
from the Provinces in small
wooden logs. The inside is
dug out, the silver put in,
and the pieces of wood bound
together with iron bands, and
it is thus carted to the
Treasury. . . . .

Among foreigners in China
there is a general desire for
coinage and a national bank.

The

The rivalry between the various nationalities is so great that any particular scheme by one nationality is attacked by all the others. This happened notably when the Philadelphia Syndicate sought to obtain concessions at Tientsin.

In spite of the abundance of banks existing in China, making it a country as thoroughly provided with banks as any country in the world, still the banks often succumb to financial difficulties. Some of their difficulties originate from non-fulfillment of the obligations assumed by the local authorities. This happened recently

recently in Shansi, where,
during the campaigns in the
north-west, the banks lost
many millions of taels. There
being no government bank,
the private banks can get
no relief when it is most
needed, except as I have
already stated.

It must be remembered,
in considering the general
question, that the people and
the merchants have little
confidence in the good faith
of officials. As China is
practically devided into
twenty one seperate local
governments, with almost
absolute authority in the viceroys

or

or governors, this want of confidence in financial matters results in serious evils. A National Bank would restore confidence and give solidity to financial operations. The leading paper in China, the North-China Daily News, proposes to overcome opposition to a scheme of general or national banking by an organization composed of leading firms in all commercial countries. It proposes that the stock of such an institution be divided up amongst the various nationalities, reserving a large portion for the Chinese. By this means international jealousies would be

be removed and the bank would be worked on broad and honest principles.

My judgement is that China will not accede to any such scheme. There is evident purpose on the part of the Chinese rulers to reserve for their country the great franchises of public institutions, such as, railroads, steamship lines, telegraphs and banks. This policy is logically correct. The chief objection to it is the delay necessary to instruct and educate this people, which is now earnestly and strenuously striving for improvement and progress.

Here

There seems to be no reason why our banking system might not work successfully in China. If China would entrust the whole subject to some great American financier, I do not doubt that the success, which has attended the operation of the Imperial Maritime Customs under Sir Robert Hart, would be realized in banking and coinage.

There is no confusion in the world comparable to the financial muddle in governmental operations in China. The immense benefits which would accrue to

the

the Government from a good system in the collection, distribution and remittance of revenues are patent to all observers. The superintendence of financial matters in China would be a career worthy of any man's ambition. It is needless to say that unimpeachable reputation, and great ability would be requisite.

It is well to say also that the accomplishment of such a plan must be worked out by individual effort. The Legation could aid only by courtesy and by the private personal influence of the minister. If he had the authority to pledge

his

his government to any financial echeme it would be unwise to exercise it, but he has no such authority.

Knowing, as I well do, that national pride would be gratified by the prominence of my fellow citizens in any great work of progress in China, nothing would be left undone by me, that is consistent with public duty, to forward such a work.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
NOV 4 1888
RECEIVED.

Ack'd by draft of Nov 7
Mr. Rives, Jan. 10, 1889
Acy

No 510.

Legation of the United States.

Peking, November 12th 1887.

Mr. Denby to the
Secretary of State.

Subject

The case of Dr Griffith a dangerous insane person.

Synopsis

The power of Consular Courts over lunatics discussed. Conclusion that they have the powers of a Court of Chancery.

№ 510.

Legation of the United States.

Peking November 12th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I have the honor to present some obsevations on the treatment of lunatics by the Consuls or Consular Courts in China. The question is nearly one of first impression, and is of sufficient importance to warrant an authoritative instruction from the Department as to the course to be pursued towards

towards insane persons, who are citizens of the United States, domiciled in China.

Lately Dr Griffith, who is attached to St John's College as a physician — this College being an Episcopalian Mission in charge of citizens of the United States — became insane. He nearly murdered his wife and infant child. He was arrested and confined by his friends and application was made to the Consul-General for an order that he be sent to the United States for treatment.

The Consul-General was unable to find any statutory authority for making such an

an order and doubted as to his jurisdiction. He, therefore, wrote to me asking my advice and instructions.

There are no asylums for the insane in China, and no proper places for their confinement, and no provision made by the United States for the care of lunatics in China. The matter being pressing, I immediately answered the Consul-General, and gave my views of the proper course to be pursued, which are hereinafter set out.

The only action of the Department which may be taken as a precedent will be found in Mr. Holcombe's despatch No

137, June 29th 1882, and the reply of the Assistant Secretary of State thereto in despatch No 36 of August 16th 1882. The case was that of J. Fisher Crossette. He was found wandering, a vagrant and beggar, in Shantung. Mr. Holcombe concluded that he was a lunatic, and from motives of humanity had him arrested and sent to the Consul-General with directions to send him to the United States. On arriving at Shanghai Crossette sued out a writ of habeas corpus, and, on examination, was discharged. So the case ended.

The Assistant Secretary

of

of State, Mr. Davis, agrees with Mr. Holcombe, "that there "are no provisions of law "applicable to the present case, "yet humanity demanded "the action taken by him (Holcombe) to "rescue Lt Crozette from his "dangerous situation and to "return him to his friends in "the United States for proper "medical treatment." He says that the Department will protect Mr. Holcombe from financial loss.

While I concede that there are no provisions in the Federal Statutes applicable to lunatics in China, I take issue on the proposition that there are no

provisions

provisions of law applicable.

The jurisdiction of the Consular Courts is derived from the statutes if applicable. Where the statutes are not adapted to the exercise of judicial powers, or are deficient in the provisions necessary to furnish suitable remedies, the common law, including equity and admiralty, shall be extended in like manner over the citizens of the United States in China. If defects remain in remedies, the Minister supplies them by decrees and regulations, which shall have the force of law.

It has been held immemorially that the Court of Chancery, as

the

the general delegate of the
authority of the crown, as parens
patriæ, has the right, not only
to have the custody and protection
of infants, but also of idiots
and lunatics, when they have
no other guardian.

When a person is ascertained
to be a lunatic the Chancellor
proceeds to commit the custody of the person
and the estate of the lunatic to
a custodian, called, for that
reason probably, a committee.

The manner of ascertaining
whether a person is a lunatic,
or not, is by addressing to the
Chancellor a petition. On that
petition a commission issues
out of Chancery, on which the

inquiry

inquiry is had. The inquisition is always had and the question tried by a jury, whose unimpeached verdict becomes conclusive upon the fact. The commission is extended to all persons of unsound mind.

It is apparent to my mind that the Consular Courts have authority to hear such petitions, and to appoint committees for lunatics.

A committee has complete control over and custody of the lunatic. Possibly, under it's general powers, it could not remove the lunatic beyond the jurisdiction. But, on application to the Consular Court showing

that

that no proper place of
confinement exists in China,
I see no difficulty in the
Court making an order that
the lunatic may be removed
to the United States. It is
apparent that the Consular
Court has no authority to
order the confinement of a
lunatic in an asylum in
the United States. The authority
to make such an order would
imply jurisdiction over such
asylum which does not exist.
It would, therefore, be necessary
for the committee, having
transported the lunatic to the
United States, to comply with
the regulations of admission
prevailing

prevailing in the state wherein
the asylum selected is situate.

In this particular case no
question arises as to the
provision of money necessary
to pay expenses of transportation.
The Episcopal Mission will
provide a committee and the
necessary funds. It may happen
in the future that the lunatic
may be indigent. The Department,
in the despatch quoted from,
seems to have concluded that,
from motives of humanity, funds
would be supplied by the
government.

On this point I shall
await your instructions.

I have sent to Mr. Kennedy
forms

forms of petition, of an entry appointing a member of the Bar to defend the case, and of the final order.

Urgency demands immediate action, and the case will, no doubt, be disposed of before this despatch will reach you.

Should your views differ from mine, care will be taken, by special instructions to the Consuls, that this case shall not be a precedent.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
JAN 4 1888
RECEIVED.

Wm Everett
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No 514.

2D ASSISTANT SECRETARY.
Ack by No. & file
JAN 4 1888

Legation of the United States.
Peking, November 12th, 1887.

W. Shaler Study.

to the

Secretary of State

Subject.

Study of the Chinese language.

Synopsis

W. Study presents some of the obstacles in the path of the student of Chinese.

— - —

No 511.

Legation of the United States.

Peking November 12 1/2, 1887.

Honorable Thomas F. Bayard.

Secretary of State.

Washington.

Sir:—

It would, no doubt, be regarded as a work of supererogation on my part if I were to write an article on the Chinese language,— a theme which has been ably treated by those who have made a special study of sinology.

My object however, is to present to the Department a few observations in as concise a form as possible, on some of the gigantic obstacles which lie in the path of every student of chinese,—obstacles which are no where to be found, so far as I know, in any other languages under the sun, and which, at times, must baffle the advanced scholar,

almost as much as the greatest
type.

Roughly speaking there are supposed
to be about 40.000 characters in
the written language and about
five hundred distinct sounds. This
gives us roughly one pronunciation
only for as many as Eighty words,
none of which have any relationship
to each other as regards either meaning
or construction. We must have at
starting a difficulty of over stupendous
and unique. But this is not all:
the Eighty characters may be mastered
and the ear may achieve sufficient
delicacy to distinguish the fine shades
of accent, tone and emphasis which
sub-divide them into smaller groups.
Then the students bewilderment increases
when he finds that each character
has, perhaps, from a half dozen to a
dozen distinct meanings and is
capable of being further used in
combination with other characters
to express a series of ideas each one
of which appears to him utterly

and

and hopelessly foreign to any of the original acceptations.

For example: take the sound of our English letter E. This in Chinese may be roughly divided into two accentuations, - long and short; the former generally written by Dictionary makers ē and the latter ĭ. For my present purpose, however, I may treat the sound as one; so that there are about 220 characters in Chinese, every one of which is pronounced E. Nor is this all; for many of these characters may be written two or three different ways, thus increasing the difficulty of learning them proportionately.. Of course, the principle method of distinguishing between them in conversation is by attending to the context, though even to a student is very apt at times, to be misled by reason of the frequent figurative expressions which are used.

Take the word míng. According to Williams dictionary, it may

mean expressive; backward; dull; ignorant; rich; a pupil; to derive; to pull over one; to obtain subtly; to be grateful; to yawn; able to have an obscure perception of; while it is also the 45th diagram denoting reciprocal, the name of an ancient city in Roman and of a tribe of aborigines in Yemen.

Then again take the character ching, and it will be found that its accommodating nature is such that it may mean either a cistern; or, the warp of a web in the loom; or, a person who manages a business; or, the meridians of longitude; or, what is regular and orderly; or an adverb having the force of already.

Another instance: the character chii is so expansive as to be used for a game of draughts or chess; a rank; narrow; curly; upset; an undertaking; a committee;

a gaming shop; a club; to inveigle;
a foundry; a wholesale store;
and complete.

What misapprehensions may arise
when the same sound with what
to a novice appears almost —
imperceptible variations, is used for
a bamboo, a spider, a lord, a pig, a
pearl and to cook and how
puzzled a beginner will be at
finding that the same character
may mean either brilliant sunlight
or shadow.

Another formidable difficulty is
the ridiculous mistakes which even
the most advanced scholar is
apt to make by the misplacement
of some curiously aspirate, or the
omission of some perplexing
tone:- for instance, pronouncing
Kó for ko and giving the first
instead of the third tone, and so on.

Many more illustrations could
be given of the difficulty foreigners
experience

Experience in acquiring this
curious language and in
conversing intelligibly. I will
mention one more: Every person,
I may say that almost every
district, has its own peculiar patois
in which the sounds and
intonations vary.

It would be amusing to sum
up all the opinions which have
been given from time to time
on the nature of this laborious
study. While some (beginners
generally) have asserted that
there is no great difficulty in
the matter, others have represented
the difficulties as almost insurmountable.
Dr. Morrison, whose fame as an
Eminent linologue is well known,
has recorded his opinion - that
though a smattering of Chinese
may be easily acquired, yet
he considers it very difficult to
attain

attain to a perfect knowledge
of the language and adds - that
such perfect knowledge of the
language is what he views as
an object yet afar off.
If this be the language of a
foreigner, who is he that shall
presume to call it an easy
study? Judging from the
length of time that natives
themselves require to give it their
attention, and that few among
the many rise to any celebrity
at all, one cannot but come
to the conclusion that for any
foreigner to read, write and speak the
Chinese language like an Educated
native, is practically an impossibility
even though it be made a business
of a life time.
I conclude by quoting the words
of a Chinese scholar: "To express
so many ideal as are in the
mind of man by so many
intricate

intonated monosyllables. - to substitute a distinct character for a simple alphabet, were undoubtedly a gigantic effort of human genius."

Thus the honor to be,

Sir,

Your obedient servant

Charles Denby

DEPARTMENT OF STATE
JAN 4 1888
RECEIVED.

W Loomis
4

No 512.

Legation of the United States.

2D ASSISTANT SECRETARY.
Ack by Sto. & file
JAN 4 1888

Peking, November 15th 1887.

Mr. Denby to the
Secretary of State.

Subject

M. Constans offered the Governor-Generalship of French Indo-Chinese possessions

No 512.

Legation of the United States.

Peking, November 15th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D. C.

Sir:

I have the honor to inform you that I have been informed, from a thoroughly reliable source, that the post of Governor-General of the French Indo-Chinese possessions, comprising Cochin-China, Annam and Tongking, has been offered to Mons. E. Constans who, until lately, has been the Envoy

Extraordinary

Extraordinary of the French Republic at Peking.

Mons. Constans received the notification of his appointment while on his way back to France. It is not known, however, whether he will accept the position, for he then might be obliged to resign his seat in the Chamber of Deputies, where he represents the city of Tolouse.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
JAN 4 1888
RECEIVED.

No 513.

Mr Evarts

Legation of the United States.

Peking November 16th 1887.

2D ASSISTANT SECRETARY.
Ack by Sec. + file
JAN 4 1888

Mr. Denby to the

Secretary of State.

Subject

Trial of the Phonophore at Tientsin.

One enclosure.

No 513.

Legation of the United States.

Peking, November 16th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

With the view of keeping you posted on progress in China, I enclose, herewith, an account of the first trial at Heitein of a remarkable new instrument by the use of which telegraphy and telephony can be carried on simultaneously on the ordinary telegraph wires.

1/13

Mr. Pouleen, who is Assistant Director

Director of the Imperial Chinese Government Telegraph System, read the enclosed paper before a number of gentlemen.

The instrument described here has, it is stated, been lately fitted to more than 1300 miles of line in Europe. It is called the "Phonophore."

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

Enclosure,

1. Extract from "Chinese Times"

Vol 1. No 53, Nov. 5th 1887.

Enclosure 1 in No 513.

"Chinese Times" Tientsin Nov 5th 1887.

1

GENTLEMEN,—[illegible]tific victory which we have witnessed [illegible] simultaneous use of the same [illegible] for telegraphing and telephoning. [illegible]ntific victories this beautiful result has been reached step by step, the very difficulties met with on the progressive path of electric science have engendered the means for overcoming them. Commencing with Professor Bell, we have the man who showed that it was not impossible to transmit sounds over long distances by means of electricity. The question then arose, How far can we speak by telephone?

As the electric action developed by the telephone itself was too weak, the natural attempt to reinforce it by using the galvanic cell was made. Many experiments were made, but telephony would never have reached the remarkable extension which it has to-day, if it had not been for the microphone, the invention of Edison and Hughes. To put in verbal communication not only the inhabitants of the same town but citizens of the same country—yes, better still, the nations,—such a conception would have been treated as a folly ten years ago, but now-a-days it has been realized. The means for carrying the voice over a distance of more than 400 kilomètres was known. Telephone lines were expensive, and in trying to utilize the telegraph poles a new difficulty was met with: all the telegraphic signals were reflected in the telephone and caused noise enough to prevent all conversation. M. van Rysselberghe left the path walked over by his predecessors. Instead of trying to prevent the nuisance in the induced or secondary circuit, he attacked it in its cause and source, that is, in the inductive or primary circuit. We shall not here enter deeply into van Rysselberghe's inventions, but only enumerate them:—

1. The methods which make telegraphic currents—whether primary, induced, or derived,—non-preceptible in the telephone by making them gradual by means of graduators, condensers, and derivators.

2. That the undulating telephonic currents developed in the microphonic transmitter have no influence on the telegraphic apparatus.

3. The far-distance speaking telephone on the basis of the scientific law, that the resistance variations of the carbon contacts have so much more relative value, and the variations of current which result therefrom become so much more considerable as the total resistance of the microphonic circuit becomes feebler.

4. In one sum Simultaneous Telephony and Telegraphy, involving a distinction between the rapid undulating telephonic currents and the ordinary telegraph currents.

This beautiful separation we may illustrate by a comparison fetched from other regions of natural philosophy: "the sun sends us simultaneously heat and light, two vibrating movements which affect our senses differently; heat will pass when light does not and *vice versa*." Contrary to what is generally supposed, the van Rysselberghe system does not consist in a special sort of telephone but in a method by which any telephone wire can be used simultaneously for telegraph purposes without in the least affecting the intensity of the voice. Any given telegraph wire can also be adapted for simultaneous telephone work without disturbance to the telegraph. The telephone line between Paris and Brussels, 200 miles long, is daily worked by telegraph while telephoning is going on, and no interference whatever is observed of one with the other.

The longest distance on which practical conversation can be carried out on iron wire does not exceed about 200 miles or 600 *li*. Van Rysselberghe has improved the microphone so as to actually reach the greatest possible distance, and he has been so far successful, as the German and Belgian Governments have adopted his system for their use.

If copper wire be used greater distance can be reached than with iron wire, on account of copper's greater conductivity and specific capacity for transmitting sounds. M. van Rysselberghe mentions in his report the experiments between New York and Chicago, and the fact that over a distance of 1,000 miles, 3,000 *li*, the voice was heard strong and clear.

We have to-day tried with Taku, where Professor Culmsee has managed the affair with great skill and promptitude; and I hope that I, with my friend Mr. Culmsee, on another opportunity shall be able to illustrate the double working capacity and the far-reaching powers of the system just introduced. I hope that China will embrace this new idea and develop her telegraphic system into a grand national institution worthy of so vast, ancient, and powerful an Empire.

DEPARTMENT OF STATE
JAN 4 1888
RECEIVED.

Mr Everts
4.

No 514.

Legation of the United States.

2D ASSISTANT SECRETARY
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Peking November 22nd 1887.

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Mr Denby to the

Secretary of State.

Cpy. to War Dept. Jan. 11. 1888

Subject

Recent Yellow River inundations

Synopsis

Locality of overflow, discription of river, immen[illegible] sillage. Changes of course of river. Circumstances of present overflow. Loss of life Measures of relief. Yellow River works, method of maintaining.

No 514.

Legation of the United States.

Peking, November 22nd 1887.

PRINTED
FOREIGN RELATIONS
1888

To the Honorable

Thomas F. Bayard,

Secretary of State,

Washington, D. C.

Sir:

I have the honor to forward to you herein, for your information some particulars concerning the terrible inundation, caused by the rupture of the levees along the Yellow River, in the last week of September of this year. Although the calamity was known of at Peking nearly two months ago

ago, the reports of the provincial authorities to the Emperor concerning the event have only very recently been given to the public.

The Yellow River, not very far to the west of K'ai-feng fu, the capital of Honan Province, enters an alluvial plain, which undoubtedly owes it's origen to the river's deposits, and which spreads to the north and south of the mountainous Shantung peninsula as far as the sea coast without an elevation on its surface save here and there a sand hillock.

From the prefecture of

Honan

Honan fu, the Yellow River's deposit commences to be so abundant, that the whole bed of the river has been silted up until it is elevated above the surrounding country. For example, at Lung men kou, the diverging point of the old and new courses of the Yellow River, Rev Elias states in his "Report on the Course of the Yellow River" (1869) that he found the bed of the river with an average elevation above the general level of the neighboring country of about fifteen feet.

The immense banks of the mouths of the Yellow River are

are yet another proof of the tremendous rapidity with which the siltage takes place. The "Chinese Times", of Oct. 29th 1887, mentions in this connection that thirty or forty miles distant from the shore, in the deep indentation of the coast between Chefoo and Taku, soundings that fifty years ago gave forty feet now show but eighteen.

This siltage has a most disastrous effect on the arable soil on which it may be deposited rendering cultivation impossible, consequently wherever the river has passed agriculture is practically

ended

ended, and a thinly
scattered population is all
that is left in once prosperous
and densely inhabited districts.

Since time immemorial
the Chinese have endeavored
to check this river and to
keep it in it's bed by erecting
a continuous line of
embankments along it's course,
from the point where the
village commences down to
it's mouth. But, notwithstanding
the enormous works which have
been erected year after year
and century after century,
the most fearful overflows
continually occur, several of
them so great that they
have

have changed the course of the river. In the earliest times of Chinese history, the Yellow River emptied into the Gulf of Pei-Chih-li, near Tientsin, and it followed this course down to the 13th century of our era. At that time it changed its course and taking an easterly direction, south of the Shantung peninsula, it emptied into the Yellow Sea. The river continued to follow this course until 1851, when it again burst its embankments on the north side at Lung men kou and by 1853 it was once more flowing into

the

the Gulf of Pei-chih-li, its general direction nearly parallel to that which it held in olden times.

In the summer of the present year, the Yin, an important left bank affluent of the Yellow River which empties into it about 60 miles west of K'ai-feng fu, as also the main stream itself, became greatly swollen by incessant rains, and, on the 21st of September, the dykes broke in the district of Cheng chou — a little to the west of K'ai-feng fu. During the succeeding days the breach rapidly increased, notwithstanding

every

every effort on the part of the troops, until it was over 3000 feet wide, through which the whole river dashed leaving it's former bed dry.

The water flowed in a south easterly direction through the prefectural districts of Kai-feng and Chen chou, the Kulu river, down to where it empties into the Sha-ho, being apparently the western limit of the inundation. About 50 miles south of the mouth of the Kulu river, the flood seems to have taken an easterly course through the provinces of Anhui and Kiangsu, sweeping down the course of the Huai river,

Through

through the Hungtze lake
and into the sea by its old
mouth east of Ting Kiang fu.

The annexed map, in
which the inundated districts
are tinted blue will give
some idea of the extent of the
terrible disaster. The main
body of the water followed the
course of the Ku lu river
and in this section of country
the inundation attained a
depth of from ten to twenty
feet. In other districts to the
east the water was only
from three to four feet.

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Reports concerning the
damages done by the flood
outside of the province of Honan

have

have not so far been published, but in that province alone we learn that about 2000 towns and villages - which must have a population of, at least, 2,500,000 — have suffered from the flood.

The loss of life appears to have been fearful. The Governor of Honan in a memorial to the Emperor, published in the Peking Gazette of Oct. 28th, says "Nearly all the people have "been drowned in the districts "reached by the waters, the "survivors being those who "escaped to high ground or "took refuge in Trees, where "they remained until rescue

came

came." In a later memorial
the same officer reports that
"fortunately the flow of the
"waters has not been rapid
"as the country is quite level.
"There are moreover many
"sand hillocks which have
"afforded a place of refuge
"and a means of escape to many".

As soon as the accident
occurred the provincial
authorities took measures to
relieve the sufferers, and
besides sending boats and
rafts in all directions bearing
food and clothing, opened
relief establishments in many
of which there are as many
as 20,000 refugees.

The

The Emperor has given orders that about $3,000,000, besides all the grain tribute due in 1888 from Kiang pei and Kiang su, as well as its cost of conveyance to the Capital, be devoted to relief purposes. These sums, however large, will be far from sufficient to meet the requirements and the Board of Revenue has been authorized by the Emperor to forward a constant and unfailing supply of funds to the high authorities of the inundated provinces so that the work of repairing the breach and providing for the destitute population may be constantly looked after.

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It may not seem inappropriate to add here a few details concerning the manner in which the government provides for maintaining the extensive works along the Yellow River, and what appropriations are made to meet the expenses incurred thereby.

The general management of the works along the Yellow River within the province of Honan is entrusted to the Director-General of the Yellow River, who has also the superintendence of the grain transport route. East of Honan the river works are under the care of the Governor-General of Chihli and

and the Governor of Shantung, through which provinces the river flows. Prior to the change of course of the river in 1852, there were two Directors General, one for the southern division of the river and one for the eastern, who took complete charge of all the works, but, since the river has taken it's northern course to the sea, the office of Southern Director General has been abolished and the Eastern one alone retained.

The Director General has under his orders about 2000 men, belonging to the "Army of the Green Standard", who

besides

besides having to guard
the embankments and keep
them in repair over a distance
of about 160 miles, have
certain duties to perform
in connection with forwarding
grain junks on the Grand
Canal and are also supposed
to do garrison work, escort
prisoners, etc.. Two Taotais are
under the direct orders of
the Director General, dividing
between them the section of
river under his jurisdiction,
along the banks of which are
seven stations in which are
kept detachments of troops
to watch the action of the river
on the works.

The

The Yellow River works comprise two categories, 1° Embankments constructed by the people and at their expense, 2° government works, comprising embankments, supplementary embankments constructed to withstand inundations which have broken through the "peoples embankments", side-dykes, etc., etc, all of which works, together with their dimensions and the materials to be used in constructing them, are minutely detailed in the Dynastic Institutes.

By a regulation of 1662, which is still in vigor, all the works are under the guarantee

of

of the officer who has built them for a period of one year. Removal from office being the penalty visited on him should any of them be destroyed within that limit.

The funds for the works under the orders of the Director-General, the pay of his troops etc., etc, are provided for by fixed appropriations which, as far as I can learn, have varied but very little during the last hundred and fifty years. Thus in 1730 Rs 670,536 (say ₹ 701.600) are, according to the Dynastic Institutes, allotted to the river works; in 1876 this allowance,

according

according to the Regulations of the Board of Revenue, is fixed at Hs 757.401 (say ₹908.880).

These fixed appropriations cannot however be considered as giving the amount annually expended by government on the Yellow River, for not a year passes that additional sums are not appropriated by special decree, for extraordinary works. One million and a half dollars might represent the annual expenditure on account of the Yellow River within that section under the orders of the Director. General.

I have no exact means of ascertaining the amounts expended annually by the high provincial authorities of Chihli and Shantung for similar purposes, but from certain figures found in memorials to the Emperor by these officers, I think that the expenditures may average about $300,000 a year. This would give us an average annual expenditure on works along the lower course of the Yellow River of about $2,000,000.

It would be tedious to enter into any discussion of the various plans which have at different times been

submitted

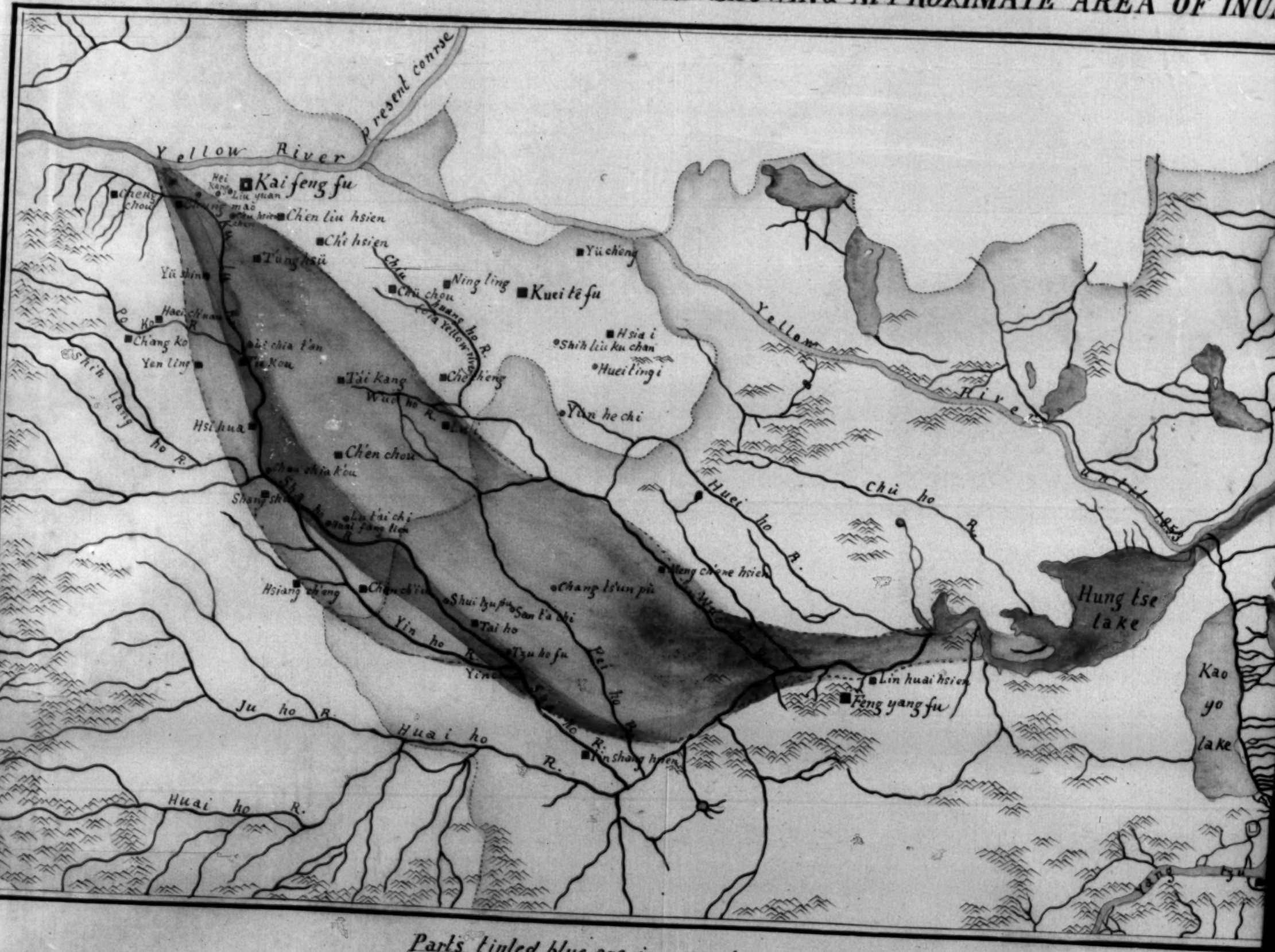
submitted to the Imperial Government for controlling the Yellow River; suffice it to say that none of those which have been tried have decreased the violence or frequency of the floods. In connection with the present breach it has been decided by the Government that it must be closed and the river turned back to its habitual course.

I have the honor to be,
Sir,
Your obedient servant,
Charles Denby

Enclosure.
1. Sketch map of inundation.
2. Memorial of Board of Revenue

Enclosure 1 in No 214

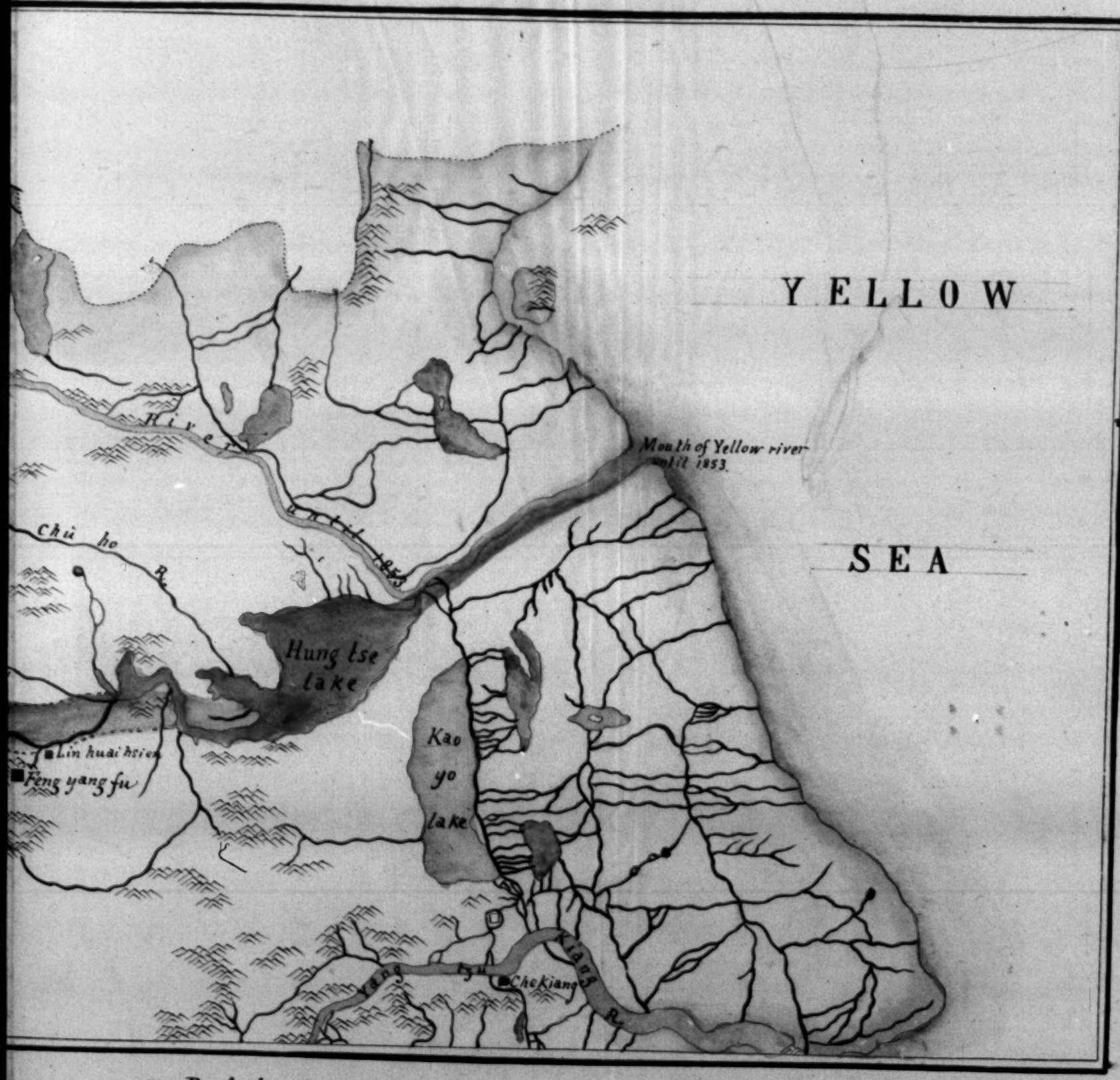
SKETCH MAP SHOWING APPROXIMATE AREA OF INUND



Parts tinled blue are inundated

■ Prefectural or District cities.

APPROXIMATE AREA OF INUNDATION.



■ Prefectural or District cities.

Enclosure 2 in No. 514

THE YELLOW RIVER.

A memorial of the Board of Revenue appeared in this morning's *Shunpao*, proposing six ways and means of raising funds for repairing the recent breach in the Yellow River in Honan Province. 1st—The dismissal of petty officers from the Provincial garrisons, as they are not necessary in time of peace, and it will be a saving of nearly Tls. 2,000,000 to the Government. 2nd—The purchase of munitions of war, gun-boats, and machinery from abroad shall be stopped for the present. 3rd—The rice allowance of Princes, Dukes, and all officials in Peking shall be stopped for one year, commencing on the 1st moon of the 14th year of Kuang-Hsü. The soldiers in Peking are to receive their rice allowance, but not the equivalent in money as heretofore. 4th—The soldiers stationed near Honan Province shall be ordered to assist in repairing the breach of the River. 5th—The salt merchants of all the Provinces shall be called upon to make contributions and get promotion in official rank in return. 6th—The pawnshops which should pay a yearly tax of Tls. 5 to the Government, should be ordered to pay Tls. 100 in advance and then be exempted for twenty years. All the revenue remitting banks throughout the Provinces shall be ordered to pay a tax of Tls. 600 each. The 1st, 5th, and 6th proposals have been already sanctioned by Imperial decree.

DEPARTMENT OF STATE
JAN 16 1888
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No 515.

Mr Everitt 16

Legation of the United States.

Peking November 26th 1887.

Mr. Denby to the

Secretary of State.

Subject.

Thanksgiving celebration at Peking

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No 515.

Legation of the United States.

Peking, November 26th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State,

Washington, D. C.

Sir:

I have the honor to report that the usual annual celebration of Thanksgiving Day was held at this Legation, Thursday, the 24th instant. There were fifty-three resident Americans invited to participate in religious exercises and to dine at the Legation. Nearly everyone attended. The services

were

were conducted by Rev. T. L. Whiting of the Presbyterian Church. The occasion was one of great social enjoyment.

I have the honor to be,

Sir,

Your obedient servant,

Charles Denby

DEPARTMENT OF STATE
JAN 16 1888
RECEIVED.

file

How about 229?

Copy of 229 of Sept 8, 1887 sent Jany 18. Cir No

No 516.

inclosure 16

Legation of the United States,

Peking, November 30th 1887.

Mr. Denby to the

Secretary of State

Subject

Ackn receipt of despatches.

No 516.

Legation of the United States.

Peking, November 30th 1887.

To the Honorable

Thomas F. Bayard

Secretary of State

Washington, D.C.

Sir:

I have the honor to acknowledge the receipt of your despatches as follows, No 236, Oct. 7th; 237, 238 Oct. 10th; 239, 240 Oct. 12th; 241 Oct 13th; 242 Oct. 15th.

Sept 8-

No 229 has not yet been received.

I have the honor to be, Sir,

Your obedient servant,

Charles Denby